

The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

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Other National Products!

By Paul K. Whang

SATURDAY, JUNE 24, 1933

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The China Weekly

REVIEW

Formerly Millard's Review

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W. MISSEMER Asst. Editor; HOH CHIH-
HSIANG, Asst. Editor; TRYPHON KU, Ad-
vertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG S. Y. LEUNG
STEPHEN WANG PAUL K. WHANG

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WASHINGTON OFFICE

J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

AN IMPORTANT POINT FOR AMERICA TO KEEP IN MIND

IT is one of the ironies illustrating the present muddled state of international politics that while a so-called Disarmament Conference is in session at Geneva, both the United States and Japan have made it clear that they intend to considerably strengthen their marine and air forces. The London Five-Power Treaty expires in 1935 and the two principal rivals for dominance in the Pacific, by their action envisage the possibility, if not the probability, that the Disarmament Conference will, from the point of view of attaining any definite results, be a practical failure. The figures contained in recent telegrams from Washington and Tokyo tell their own story. The United States will spend U. S. \$238,000,000 on the construction of 32 new naval units within the next three years, also very substantial sums on air craft; and Japan is to start its "second replenishment program," the Japanese Ministry of the Navy figuring upon spending Yen 410,000,000 next year, this being about the same amount as provided in the current year's budget.

Thus the foundations are laid for an eventual contest between the United States and Japan for dominance in the Pacific. It is not too early, therefore, to discuss the political issues involved in such a possible forthcoming contest. It was one of the paradoxes of the Great War that when the various representatives of the Allies assembled at the Peace Conference in Versailles they were at their wits' ends to define their "war aims,"—in other words to explain what they were fighting about. About the only thing that they all agreed on was that Germany was responsible for starting the war, but present-day historians, including eminent British authorities, insist that such a finding is simply not true. So the question as to what the fight was about has yet to be answered. The one thing that did stand out, however, was what the late Robert Young, editor of the *Japan Chronicle*, used to write about in editorials during the war, namely that the contest meant the suicide of the white race.

In any eventual contest between the United States and Japan it should, therefore, be from the outset clearly kept in mind by the United States what the aim of such a contest is—so as to avoid that America, after the Japanese have been defeated—as they must inevitably be, in these days of industrialism, God is not on the side of

the strongest battalions, but on the side of the country with the greatest manufacturing capacity—may find itself in the same predicament about stating its war aims as the European nations were at Versailles in 1918. If such a contest were to come next week, for example, and it was the announced aim of the United States to give a slap at the last stronghold of a blatant bureaucracy,—backed by the divine-right-of-kings theory, which calmly tramples under foot treaties made in good faith—and insist that Japan should hand back Manchuria to the country to which it belongs, namely China, well and good. But there is great danger that instead of there being such a straight out issue to be fought about, America may find itself enmeshed in the whole question of the eventual fate of Western possessions in Asia, and willy nilly, whether it meant it that way or not, will be placed in the position where it will be supporting, or appear to be supporting, the claims not only of the British to hold the Straits and other possessions in Asia, but similarly of the Dutch to hold their possessions in Java and surrounding islands, and of the French in Indo-China—not forgetting little Portugal with its eyesore at Macao—whereas, on the contrary, it is the announced policy of the United States, in accordance with its history and traditions, to sympathize with and assist all people everywhere to secure their independence in the same way as it secured its own, and as an earnest of good faith has decided to give up its own possession in the Far East, namely the Philippines.

The fact should never be lost sight of that Japan, in season and out of season, no matter whether she is at the very moment trampling on the neck of China as she previously did on the neck of Korea, preaches, for the edification of the Indians, the Malays, the Chinese, the Burmese, the Tonkinese, the Tagalogs, the Visayans, the Moros, the headhunters of Borneo, and many more with brown and yellow skins, that she is fighting their battles against the imperialism and domination of the Western world. It is a clever appeal to prejudice, not without precedents in the world's history. America, as a matter of fact, is in full sympathy with the idea that all these various people should be freed from Western domination. America should under no circumstances allow itself to be placed in a position where it is either actually, or by implication, supports the opposite point of view. It is very important that America should keep this point in mind. It is not so much Japanese naval and military prowess that America has to fear, but Japanese guile. We are all the more constrained to this point of view by the recent mysterious telegrams from Tokyo and London that there are negotiations going on between Japan and America for an arbitration treaty—which no one in Washington seems to know anything about. A Japanese message from London June 19 stated—"It is learned that secret negotiations between the United States and Japan are actually proceeding with the object of the conclusion of an arbitration treaty and also to counteract the Indian measures against Japanese." Now what interest could America have in engaging in "secret" negotiations with Japan with a view to counteracting Indian measures against Japanese competition?

HOW THE AMERICAN ECONOMY PROGRAM AFFECTS THE FAR EAST

THE economy program recently inaugurated by the United States is having its inevitable reaction in the Far East. One of the outstanding examples was the order received from Washington last week closing the Mukden and Hong Kong offices of the U. S. Department of Commerce, under the jurisdiction of Julian Arnold, the U. S. Commercial Attache; and recalling, in addition to the trade commissioners in those offices, the larger proportion of the commissioned staff of his Shanghai office, leaving only the Commercial Attache, the Assistant Commercial Attache, the Registrar of the China Trade Act and possibly one other commissioned officer. This means that the Commercial Attache will in the future function more in the capacity of a counsellor on economic and trade matters as pertains to China. In a recent address, Secretary of Commerce Roper indicated that, under the reorganization plan, the burden of ordinary trade promotion work would probably fall upon the Consular offices. He proposed further that Consular officers extend to the Commercial Attaches the facilities at their disposal, preparing such information and making such contacts as are desired by the Commercial Attache, the latter to coordinate and supervise the system of commercial reporting in the countries to which they are assigned. This change probably means almost the entire elimination of Trade Commissioners as distinguished from Commercial Attaches. As a result, the representative of the Department of Commerce will, in the opinion of Mr. Arnold, be released from trade promotional work and his services be available in a large way to the Legation or Embassy of which he is in reality the Commercial Attache, who ranks with a Counsellor of a Diplomatic Mission or a Consul General. The trade commissioners as attached to the China offices who are affected by the recent order are, at Shanghai, Edward P. Howard, aviation specialist, John F. Ehrhardt, engineering expert, Harold D. Robison, who handled general commodities and Paul F. Kops, commercial legal matters; at Mukden, Carl E. Christopherson and L. C. Venator; and at Hong Kong, Thomas C. Barringer and David Maynard—all of whom have been dropped from service.

Recent economy measures put into force at Washington in connection with pensions also hit a considerable number of Americans in the Far East, including some highly placed citizens of Shanghai. It may not be generally known that among Uncle Sam's army pensioners in the American community here are prominent members of the legal profession, including two majors, several prominent business men including a go-getter in the automobile line, a marine surveyor, and at least one head of a financial institution. These pensions have been for comparatively modest amounts, and in the cases here cited will probably not be greatly missed, but according to recent advices from Washington they will not be available to the former recipients after the end of this month.

As has already been mentioned previously, the incumbents of the American consular service and the members of the American Marines in

service here, have had their emoluments considerably cut, incidental to the general economy program.

SOME REFLECTIONS ON THE FIFTY MILLION DOLLAR COTTON LOAN

NOT in many years has any transaction involving such a comparatively modest sum as U.S. \$50,000,000 caused as much discussion, not only in China but throughout the world in general, as has the recently announced wheat and cotton loan accorded to China by the United States, through the intermediary of T. V. Soong, Chinese Minister of Finance. Probably the most frequently heard comment made by local European residents is that the United States will never get its money back. It is somewhat difficult to see what basis there is for such a comment. China stands out among the nations of the world, as one of the few that does everything it can to meet its obligations in these days, although as T. V. Soong mentioned in London several days ago certain defaults have occurred recently owing to abnormal conditions. There has recently been seen the spectacle of a great country like France defaulting entirely in its obligations to the United States, this despite the fact that next to the United States it holds the largest stock of gold in the world. Taking Europe as a whole, it paid less than ten cents on the dollar on its obligations to the United States on war debts due for payment June 15. And to keep the record straight it must be admitted that the United States itself is not fulfilling its promises to pay, for not only is it not paying out gold as it is obligated to do in many of the documents which it has issued in the past few decades, but on top of this is attempting to make the mere possession of gold in the United States a criminal offense. South American countries have defaulted on their debts due to Americans wholesale. Against a world-wide record of this sort China comes through very well by comparison. However, we will leave the future to take care of itself and proceed to record the most recent reactions.

T. V. Soong Says Disposition of Wheat Loan Proceeds Is China's Domestic Affair

T. V. Soong stated in London June 16 that the \$50,000,000 loan granted to China by the Reconstruction Finance Corporation is definitely for the purchase of wheat and cotton, but how China uses the proceeds, after disposing of wheat and cotton, is entirely the domestic concern of China.

Mr. Soong designated proposals which had been made by the Legislative Yuan as regards the use of the loan as merely an "expression of opinion."

The following are the recommendations regarding the \$50,000,000 loan made by the Legislative Yuan to which Mr. Soong referred:—The formation of a board of trustees whose duties will include custody of the funds and the control and supervision of appropriations, and a provision that the entire loan must be used for "productive enterprises" such as the development of industries, agriculture, water works and communications; and no part whatever may be used for civil war or bandit suppression.

Cotton Interests Are Inclined to Be Critical

Only qualified approval of the U.S. \$50,000,000 loan for the purchase of American wheat and cotton was expressed in telegrams received by the Executive Yuan from the various industrial interests chiefly affected by the loan, including the China Cotton Trade Association, the Chinese Cotton Mills Association and the Shanghai

Flour Guild. While highly appreciative of the well-meaning intentions of the Government in obtaining the loan the China Cotton Trade Association, expressed apprehension that the influx of such large quantities of American cotton might seriously affect the market for native cotton. Even for the cotton-spinning mills, the benefit will be more apparent than real, the Association said. The Association suggested that a special committee be appointed for the administration of the loan and that the cotton trade be given representation on the Committee. It also urged that the price of native cotton should be stabilized by fixing the prices at which the American cotton is to sold on the Chinese market.

The Chinese Cotton Mills Association raised somewhat similar objections.

Sun Fo Considers the Matter Settled

Sun Fo, president of the Legislative Yuan, declared that the \$50,000,000 American loan for China had already been passed by a special meeting of the Legislative Yuan and therefore the draft agreement on the loan signed by T. V. Soong and American authorities should be considered as final. The loan will be devoted to the development of China's northwest and other reconstruction purposes, Mr. Sun said.

Wang Ching-wei Explains How Loan Will Be Used

The cable protest against the U. S. \$50,000,000 loan sent to the United States by the Southwestern Political Council was ridiculed by Wang Ching-wei, president of the Executive Yuan, in an interview. He said that Canton's protest to the United States with regard to the loan for the purchase of American cotton and wheat will carry no weight as the policy of the national government on foreign affairs has never been affected by "paper" protests of which there have been plenty from the Southwest. In the protest alleged to have been cabled to the United States government, the Southwestern Political Council declared that it will not recognize as valid the agreement governing the U. S. \$50,000,000 loan for the purchase of cotton and wheat on the basis that it tends to create civil wars in China.

President Wang in an interview June 14 said that every year China imports the major portion of its wheat and cotton from foreign countries, particularly from the United States. It is therefore absolutely impossible that the present loan will cause a slump in the agricultural produce of China. On the contrary, it will supply the needs of this country. Furthermore, purchase on credit, instead of with cash, is advantageous to China from the financial point of view. Answering objections that the Government might use the loan toward putting down civil strife Mr. Wang made the non-committal statement that Government has consistently abided by the principle and spirit of unity. Regarding the fear that the Government might misuse the loan in a manner which would not only defeat its original purpose but produce harmful effects on the administration itself, Mr. Wang said the Government will endeavor to make all transactions public, to promote integrity and devise ways of control in order that the expectations of the people may be fully satisfied.

Wang Ching-wei Flays Canton's Attitude

In connection with the American cotton and wheat loan, Wang Ching-wei, President of the Executive Yuan, in an interview at Nanking declared June 17 that the proceeds of the loan would be used exclusively for productive purposes and that they would under no circumstances be appropriated for the prosecution of domestic military strife or other wasteful purposes. He said that the two conditions attached by the Legislative Yuan to the ratification of the loan should set at rest any misgivings regarding its disposal. Characterizing the cable to the American Government addressed by the South-western Authorities as merely "propaganda for ulterior purposes," President Wang said that the opposition on the part of the South-western Authorities would not in any way affect the conclusion of the loan.

Ministry of Industry Formulates Principles

A set of general principles governing the allotment of the American cotton to be purchased under the U.S. \$50 million loan agreement has been formulated by the Ministry of Industry for submission to the Executive Yuan. Following is a summary of these principles:

1. A special committee shall be jointly appointed by the Ministries of Finance and Industry to take charge of the apportionment of the American cotton.

2. The American cotton shall be disposed of in such a way as will meet the actual needs of the various cotton mills and at the same time avoid unfavorable effects upon the market for native cotton.

3. As a general rule, only the most soundly organized cotton mills may apply for and obtain the American cotton.

4. The price of the American cotton as well as the manner in which it is to be repaid by the cotton mills shall be fixed by the Apportionment Committee, subject to approval by the Executive Yuan.

5. The money repaid by the cotton mills shall be deposited in banks to be designated by the Executive Yuan.

6. The Government shall appropriate a certain amount from the total proceeds from the sale of the cotton for the conduct of research work and the improvement of productive enterprises.

7. A certain amount shall also be appropriated from the proceeds for the organization of a cooperative production and distribution organ for the cotton spinning industry, which shall, under the direction of the Government, purchase raw materials and distribute and sell the finished products.

8. The apportionment of the American cotton shall be made in the light of the number of spindles which are being purchased on credit from England by the various cotton mills with part of the British Boxer Indemnity Refund as security.

HOW MORGAN POWER WAS FELT IN FAR EASTERN POLITICS

THE *People's Tribune*, a magazine popularly supposed to reflect the views of Wang Ching-wei, contained in its June 16 issue an interesting article bearing on the recent congressional investigation of the international banking house of J. P. Morgan and Company. Under the heading, "The Morgan Super-State and the East," attention is called to the fact that Morgan loans to Japan and Morgan activities with respect to the so-called Manchurian issue must have had a vital bearing on the present crisis in the Far East. Although direct proof is lacking, the statement appears in the article that a Morgan loan to Japan amounting to G.\$22,800,000, made only a few weeks prior to the launching of the Japanese drive into Manchuria, probably was used by the Japanese for financing their initial adventure. According to the prospectus which was issued, the loan was announcedly intended for "electrification" of Formosa, but since the Tokyo military clique seized supreme power in Japan at about this time, the probabilities are that it was Morgan money which enabled the Tokyo war-lords to embark on their mad adventure into Chinese territory resulting in the wholesale scrapping of treaties and completely upsetting the so-called balance of power in the Far East.

There was another instance, however, where an attempt of the Morgans to finance the Japanese government-controlled South Manchuria railway organ of Japanese imperialism, miscarried because of the opposition of the Chinese authorities and the State Department. This occurred in 1927 and on that occasion the loan negotiations were being conducted by Thomas W. Lamont who was in Japan for the purpose. The loan agreement apparently had been signed and the prospectus was on the point of being mailed out when the Chinese learned of the situation. Realizing at once that the Morgan loan would put Wall Street in direct alliance with Japanese imperialism in the exploitation and ultimate conquest of Chinese territory, the Chinese from one end of the country to the other kicked up a tremendous commotion,

As a result of the strong stand of the Chinese both in Manchuria and in the National Government at Nanking, the State Department finally was compelled to issue a statement against the loan, declaring that it was contrary to traditional American policy in the Far East. The United States Steel Corporation a Morgan interest, was popularly supposed to have been intimately concerned in these developments for Gary the president of the steel trust had sometime previously visited Japan and had publicly declared himself in favor of the policy of putting American money in Japan's hands for use in the exploitation of China. Much was heard at that time of the combination, "American money and Japanese brains in the conquest of the Chinese market." The particular loan which Lamont had arranged for the S. M. R. at that time was G.\$30,000,000 and according to reports in the Japanese newspapers this was to be the beginning of a series of loans which would enable the Japanese railway to extend its lines throughout Manchuria and Inner Mongolia.

Another place where Morgan financial power was felt in the Far East was through the so-called International Banking Consortium which was formed during the course of the Versailles Conference, announcedly for the purpose of preventing financial "rivalries" in China. Although the announced purpose was to prevent foreign banking interests from furthering the "sphere of influence" policy through advancing loans to rival Chinese military and political factions, the practical effect was to prevent any foreign money from flowing into China while Japan was left with a free hand to borrow all she wished for use in the exploitation of China. When Mr. Lamont first came to the Far East immediately following the world war in order to work out the details of the Consortium, the Japanese immediately claimed the exemption of Manchuria and Mongolia from any loan policy which might be agreed upon. According to the article in the *People's Tribune*, Mr. Lamont finally agreed to exclude four feeder lines of the S. M. R. from the Consortium agreement, "but reports in Japan itself were that Japan's claims had been acceded to, indicating that a secret agreement had been reached concerning Manchuria and Mongolia."

That the influential private banking firm of J. P. Morgan and Company as well as others in New York such as Kuhn, Loeb and Company, played an important part in international politics is now well known. The *Kansas City Star* in the course of an editorial discussion pertaining to the Morgan inquiry published the following,

"A certain senator has dug up quietly some interesting Morgan data. He will use it in forthcoming war debt discussions. The evidence comes from the 'Life and Letters of Walter Hines Page,' by Burton J. Hendrick. Page was ambassador to England. One of his personal letters written a month before we entered the World War discloses the Morgans could not finance England any further. Page advised that we get into the war so we could save the allies with our credit.

"At that time, Hendrick says, England was overdrawn 400 million dollars with J. P. Morgan. Imagine overdraw your checking account by 400 millions. Hendricks adds that England had no cash to meet the overdraft. The money was spent in purchase of supplies here and then adds:

"The American government finally paid this overdraft from proceeds of the first Liberty loan."

"It saved allied credit—but also the Morgans."

CHRISTIAN CENTURY, THE U. S. ARMY AND THE JAPANESE INVASION

THE *Christian Century*, most interesting and useful journal of religion, published in Chicago was guilty in its May 3 issue of a most glaring case of unconscious editorial inconsistency and all on one page. First there was an editorial entitled, "The President Wants to Know What the Nation Thinks," and directly under it was another editorial entitled, "Japan Moves on Peiping." The first editorial was an argument in support of those who would reduce America's military expenditures by cutting down the army budget, particularly those items having to do with the support of 4,000 "superfluous" officers, citizens military camps and federal appropriations for military training in colleges. Arguing that these items represented "window-dressing" for the U. S. Army, the editor of the *Christian Century* supported a recommendation for lopping \$144,000,000 off the army budget for the coming year.

Obviously we are not in a position, at this distance, to express an intelligent opinion on whether the American people are wasting money on their national army, but offhand we would say that any move that would reduce the officer personnel or eliminate the training of future officers in the colleges, would seem to be most short-sighted in view of present world tendencies. And our conviction in this regard was more or less confirmed by perusing another editorial on the same page of *Christian Century* which dealt with the recent Japanese drive on Peiping. Said the editorial, "The Japanese army has now taken over the Chinese seacoast almost as far south as Tientsin. It seems certain that, despite the usual disclaimers from Tokyo, the army soon will occupy that great port city. After it has done so, the next and inevitable step will be the occupation of Peiping. *Just as there has been no effective opposition up to this point, so this occupation of north China is likely to be completed without difficulty.*"

We underscored the last sentence above because the editor of the Chicago journal assumed that if the Chinese army had put up effective opposition, the Japanese probably would not have gone so far. He is exactly correct in this assumption and he might even have gone further and stated that the Japanese never would have intervened in Manchuria in the first place if the Chinese had had an efficient and well-equipped army and had been attending to the business of national defence instead of fighting among themselves. The fact the Chinese 19th Route Army and the other Chinese divisions put up a first-class fight here at Shanghai last year was the only thing that prevented the Japanese from occupying the entire territory at the mouth of the Yangtze. That the Tokyo war-lords had to finally send some 80,000 army and naval units here before they managed to out-flank and dislodge the Chinese forces, undoubtedly had a salutary effect in high places in the Japanese capital. The only thing that has prevented the Japanese from invading Soviet territory, up to the present, has been the presence of a strong, well-equipped red army on the border with an air-force capable of raining death and destruction

on the ports and cities of Korea or possibly Japan proper.

We realize that much of the world's present trouble is due to over-expansion of armament on both land and sea, but on the other hand we now believe equally strongly that the nation that scraps its armament or weakens its defences materially in this day and age deserves nothing better than to have its territory over-run, its cities pillaged and air-bombed and its citizens slaughtered in wholesale fashion. There once was a time when the average individual did not consider himself fully dressed unless he carried a sword or a pistol for purposes of self-defence. Then gradually as legal machinery was developed and police departments became efficient and dependable, citizens began to put aside their arms; however, many still keep them within easy reach in their homes and offices. This same situation of insecurity which once prevailed for the individual, still obtains among the nations; hence the high necessity for maintaining ample, well-equipped, trained and ever-watchful defence forces. Which admonition applies with particular force in and about the Pacific Ocean at this time. Had it not been for the American navy and the naval defences at Honolulu, the Japanese long ago would have intervened in California to enforce their "right" to colonize that state and although many years have elapsed since the enforcement of the California anti-alien land-laws and the anti-Japanese immigration legislation, the American "insult" still rankles in Japanese military hearts and the slightest let-down in the American defences on land or sea will be followed by drastic and determined Japanese retaliation. Japanese newspaper reporters always bring up this subject when interviewing "prominent" American visitors to Japan, the latest to be subjected to the familiar questionnaire being Kent Cooper of the *Associated Press* and Roy Howard of the *United Press* who arrived in Japan recently. Only a few weeks ago Mr. Matsuoka who defended Japan against the world at Geneva, declared in the course of an interview that the Japanese were "seriously disturbed" because of the presence of the American fleet in the Pacific. Then we have had it repeatedly from Gen. Arika, Minister of War, that Japan's holy mission is to drive the Occidentals out of Asia. There is just one conclusion to be drawn from these remarks, particularly when viewed in the light of what has happened in the Far East in the past twenty months, and that is the nation which scraps its defences at this stage deserves to be over-run and converted into a vassal state. If the editor of the *Christian Century* doubts this he should reside for a time in such unprotected places as the Philippines or the Netherlands Indies or any of the Chinese port cities where the shadow of the Japanese menace is ever present. Give the Japanese ten years more of unrestricted military development and opportunity to consolidate their gains in Asia and even citizens of inland Chicago will be worrying in similar fashion. The Chinese have paid a heavy price for their lack of military preparation and in consequence have learned a lesson. It is to be hoped that the Americans also have learned a lesson from recent developments in Asia and that we will hear no more of the pacifist argument that the United States should set a good example by *disarming first*.

Where the Boycott Shoe Pinches---Japan Fights Increased Indian Duties

AS neat an example as can be found anywhere of the point impressed in the old fable that it all depends on whose ox is gored—or to use another metaphor, the one about where the shoe pinches—is exemplified in the predicament which the Japanese Government finds itself on the subject of boycotts. The Japanese Government has all along maintained that the boycott instituted by the Chinese against them was an act of war and it had stressed the fact that it intended to raise this point at the Economic Conference and also at the Disarmament Conference. It has always been difficult for us, and probably the same difficulty was experienced by all the other peoples of the earth except the Japanese, to envisage the point of view so sedulously insisted upon by the Japanese that the dropping of bombs on Chapei, and all the various military movements engaged in by the Japanese since the fateful eighteenth day of September, 1931, were not acts of war, but merely to be considered as peaceful remonstrances, whereas the boycott engaged in by the Chinese were acts of war. But something has happened during the last week or two that has induced the Japanese to very much change their point of view, and as a result, a recent *Rengo* message from Tokyo made it clear that the Japanese Government does *not* intend to submit a proposal aiming at banning boycotts in the World Economic Conference now in session in London—as it previously had planned to do.

The *Rengo* message naively says that “while the proposal might be most welcome and appropriate in a theoretical sense, there should be taken into consideration various practical factors as far as Japan is concerned.”

The *Rengo* message developed the subject as follows:

“According to official quarters, while Japan’s desire for banning boycotts has been primarily prompted by the consideration of anti-Japanese boycott in China, a careful study on the subject of China’s anti-Japanese boycott reveals the fact that this problem as in the case of various other subjects affecting the relationship between Japan and China, must be solved by the two parties concerned. Moreover, in the view of Japanese official quarters, the problems pending between China and Japan are so complex and inter-related to each other that the solution of the boycott problem should inevitably be dependent on the solution of other vexed issues between the two countries. Japan is inclined to think that the termination of anti-Japanese boycott in China, and incidentally the solution of that problem, should proceed side by side with the settlement of other pending issues through the direct negotiations between the two countries.”

It will be noted that the reason given for Japan subsiding on the boycott question is the old twaddle about the relations between China and Japan being matters for direct negotiation between the two countries. But the real reason for the change of viewpoint is carefully omitted. Japan, for the moment, finds itself constrained to engage in a boycott on its own account—the one against India—and it would be quite embarrassing for Japan if it were to become the rule that a boycott was to be classed as an act of war—but that is exactly what Japan had proposed.

JAPAN’S answer to the increased cotton import duties into India has been a boycott against the import of raw cotton from India; and the Island Empire, in order to show that it intends to enforce such a boycott, has begun the import of raw cotton from Turkey. The Nippon Yusen Kaisha steamer *Lyon Maru* sailed out of Smyrna (Asia Minor) on June 15 with over a thousand bales of cotton; the shipment is due in Kobe July 24. In the meantime the Japanese are doing their best to foment Indian opinion against the increased duties, using the argument that the increased import duties will undoubtedly increase the price of cotton cloth to the natives of India and, therefore, obviously are not in the best interests of the Indian people. That the Japanese intend to harp on this string is evident from the fact that Mr. Takahashi, the secretary of the Japanese Economic League, when calling on the Chief of the Trade Bureau of the Foreign Office several days ago, told the latter that the sooner the Japanese delegate to the Indo-Japanese trade parley proceeded to India, the better would be the outcome of the parley. The Tokyo Chamber of Commerce June 17 cabled a statement to the Federation of British Chambers of Commerce, the British Industrial League and the Manchester Chamber of Commerce, asking them to give the prevailing aggravated economic relations between Japan and Great Britain grave consideration—which, to our way of thinking, is a hint from the Japanese that they have in mind “starting something” in India,—an idea that has been lying dormant in the Japanese subconsciousness for many years but which was given expression to already more than two decades ago when Count Okuma in an unguarded moment in a speech which he did not expect would be translated into English said that the 300,000,000 Indians were looking forward to the day when Japan would assist them in securing liberation from the British yoke.

Japan Answers British-Indian Challenge

The *Kokumin* is very disagreeably surprised by the action of the Indian Government. It says: “One of the main objects of the World Economic Conference is to promote the freedom of trade by lowering high tariff walls, but with Britain in her present mood, it is very problematical whether the Conference can reap the desired results. As London is the venue of the Conference and Britain is to play the principal part in it, the British Government ought to have restrained the action of the Indian Government, pending the conclusion of the Conference. That it acted otherwise is evidence of Britain’s deliberate disregard of the general trend of world opinion and her contempt of international justice. Now that Britain and India have made no scruples about trampling on international good faith and declared an economic war against Japan, Japan must take up the challenge. The boycott of Indian cotton by Japanese cotton interests is quite justified in the circumstances, and must be enforced strictly. The Foreign Office authorities must also take a strong line of policy in dealing with the British Government in defence of the economic interests of this country.”

The Japanese newspapers stress that India will lose approximately Yen 100,000,000 worth of her annual exports to Japan as a result of the Japanese cotton spinners’ decision to boycott the Indian Government’s tariff increase.

Japan’s total exports to India last year were Yen 192,000,000. Out of the total Yen 102,000,000 represented cotton

goods. Japan's total imports from India last year amounted to Yen 116,000,000. Out of the total, Yen 91,000,000 represented raw cotton. With the shutting out of Japanese cotton goods from India and Japan's boycott of Indian raw cotton, a large part of the Indo-Japanese trade will be shut off. India's cotton exports to Japan amount to more than 40% of India's total cotton exports. The Japanese press stresses the point that the stoppage of the exports to Japan will prove a severe blow to India.

Still Higher Tariffs to Be Proposed in India

In retaliation for the Japanese boycott on Indian cotton, a section of the Bombay Brokers' Association has appealed to British spinners to make a larger use of Indian cotton.

An Indian member of the Assembly gave notice at New Delhi, June 17 of a motion to be presented at the forthcoming session urging, in view of the Japanese boycott of Indian cotton, that the Indian Government immediately enforce further increased duties on all foreign cotton imports, or ban them altogether.

Japanese Will Use American Cotton

The Japanese spinners are planning to rely more upon the lowest grade American raw cotton as substitute for the Indian cotton in consequence of the boycott. It is also planned that Chinese raw cotton will be used more than heretofore. Japanese mills already had experience in the application of lower grade American cotton substitute for the Indian cotton last year. The American cotton then was lower than the Indian cotton in price. They used it purposely, therefore, for the manufacture of medium size yarn. The result was satisfactory, and efficiency was greatly increased.

Apprehension is felt in Japanese spinning circles because American raw cotton is now relatively far too expensive. There is a difference of about Yen 14 in the

price of the American cotton, the "strict middling" grade, and the Indian cotton, the "Acorakangham" grade, per 100 kin, (133 lbs.), and there is some Yen 7 difference between even the worst American cotton and the Indian cotton for the same volume, in accordance with current quotations. The cost will be higher by Yen 20 per bale if the spinners use American cotton as substitute for Indian cotton in manufacturing on 20s yarn, it is said.

Setsuzo Sawada Appointed Japanese Delegate to Simla Negotiations

Having formally been informed by the Simla Government of its intention to conclude a new treaty to replace the existing commercial treaty between India and Japan, which expires on October 11 of this year, the Tokyo Foreign Office has appointed Setsuzo Sawada, Minister with no accredited post and former Chief of the Japanese Bureau to the League of Nations, as the Japanese delegate to the forthcoming Simla negotiations. Mr. Wakamatsu, Commercial Counsellor of the Japanese Embassy in London who is now in Tokyo on furlough will accompany Mr. Sawada to India.

Malay States Also Increase Duties Against Japan

The government of the Malay States has increased the import tariffs on Japanese cotton cloth, rayon and cotton mixed fabrics, hems and general imports, as from June 15. A significant new definition in the tariff regulation, according to the Japanese consul-general, is that the 20 per cent ad valorem duty on foreign goods has been changed to "20 per cent ad valorem or 5 cents per yard" and that, as to British goods, 10 per cent ad valorem has likewise been changed to "10 per cent or 2.5 cents per yard."

Currency Stabilization Not in Sight at Economic Conference

THE immediate prospects of anything good coming out of the world economic conference now in session at London do not seem to be any better than has so far resulted from the disarmament conference at Geneva. One of the outstanding problems at the economic conference is that of currency stabilization and on this subject the views of the United States and France stand wide apart. The United States June 17 addressed a firm note to France and to other defaulting countries on the war debt question, followed up with informal intimations that France must at least place herself on the same footing as other countries who have made partial payments before her representations on this question will be considered. On top of this it developed that President Roosevelt was in no hurry to approve of the European plan for stabilization of currencies. President Roosevelt is stated to be of the opinion that any hasty move towards stabilization of the American dollar might have a disastrous effect on the recent upturn of prices of stocks and commodities in the United States and is stated to have expressed the opinion that he would agree to stabilization "at the proper time." The French reaction has been rather acrid. The French attitude is that unless this matter of stabilization of currencies is got out of the way first there is nothing to be gained by discussing tariff reduction proposals. The French have so far firmly adhered to the gold standard and have expressed the opinion that it is impossible to build up a sound international economic structure on "a quicksand of depreciated currency."

Congress Confers Dictatorial Powers on President Roosevelt

President Roosevelt became for practical purposes the economic dictator of the United States by virtue of the powers conferred on him by Congress before adjourning, at Washington, June 16. Among the legislation passed just before adjournment by Congress was the Industrial Control, Glass-Steagall Bank Reform, Railroad Reorganization Bills, all of which the President signed, observing as he did so: "More important legislation has been enacted today than in any other day in American history." The Glass-Steagall Bank Reform Bill will lead to a radical revision of the country's banking methods. The Industrial Control Bill includes an authorization for the expenditure of \$3,300,000,000 for public works and gives the government unprecedented powers to encourage, and if necessary enforce, sweeping regulation of industrial output, wages and prices for two years.

Europe Pays Ten Cents to the Dollar on War Debts

The net result of the payments by European nations on war debts totalling \$143,605,000 due June 15 was that the United States received the actual equivalent of about fifteen million dollars—say ten cents to the dollar. Britain made a token payment of U.S.\$10,000,000; Italy made a token payment of U.S.\$1,000,000 and like Great Britain had recognized the existing obligation. Poland gave notice she would defer payment. Czecho-Slovakia made a partial payment. Finland paid in full. France and Belgium both defaulted.

The United States received 20,000,000 ounces of silver at Bombay, from Great Britain, June 15 as a war debt payment. The latter country is responsible for the delivery of the silver to the United States; 2,000,000 ounces of silver were received on account of the war debt from Italy. Senator Borah, while supporting President Roosevelt in his acceptance of part payments of war debts, has, at the same time, issued a statement warning the debtor

nations against trying to inject controversy into the World Conference.

Senator Pitman, from Nevada, one of the delegates to the economic conference in London, stated that the payments in silver by England and Italy were a good augury for the white metal. He added that he would rather see hundreds of millions in silver dollars circulating in the United States than paper currency without any backing. In a later speech he said silver was now getting recognition for the first time since 1873.

Mr. Pittman made a proposal that all international exchange should be backed by a minimum of 25 per cent gold; he added a recommendation that greater use might be made of silver for coinage purposes and that the Central banks should use the white metal up to twenty per cent of the total cover.

American tariff experts connected with the American delegation suggested a proposal including a 10 per cent reduction in import duties, modification of import restrictions and an extension of the tariff truce.

Further Inflation of American Dollar Predicted

The United States Treasury announced June 19 that the United States dollar may continue to shift for itself in the international exchange market and that no special measures are being taken to stabilize it. The dollar declined sharply especially in relation to the pound sterling and there was a revival of the belief that further inflation was in prospect.

Britain's Views on Return to Gold

Neville Chamberlain, British Chancellor of the Exchequer, in a speech before the Economic Conference June 14 stated that stabilization of the exchange rate should be attempted in two stages: (1) to achieve approximate stability between the principal countries of the world; and (2) the ultimate aim should be a restoration of the gold standard.

Mr. Chamberlain outlined the conditions necessary for Britain's return to gold as follows:—"A rise in the level of prices so as to restore the equilibrium between prices and costs, removal of the conditions which led to the breakdown of the gold standard, and the greatest possible prevention of fluctuations in the purchasing power of gold."

Cordell Hull, U.S. Secretary of State, in his address said that if any nation should wreck the Conference with the notion that local interests might temporarily profit, while indefinitely delaying aid for the distressed in every country, that nation would merit the execration of mankind. Mr. Hull urged a policy of gradual and careful readjustment of excess tariffs and other barriers to a moderate level which would not contemplate either unreasonable or excessive competitive imports, nor monopolistic price advantages at home. "Such a policy," he said, "would ensure healthier and more prosperous conditions and, while disclaiming extreme economic internationalism, would challenge extreme economic nationalism. It would supplement efficient home markets with capacious foreign markets," he pointed out.

M. Litvinoff States Soviet's Attitude

M. Litvinoff, head of the Soviet delegation said: "The Soviet delegation believes, that an economic armistice can be really effective and somewhat relieve the existing economic tension only if the states abandon, not only intended new measures of economic warfare, but also those measures which are now being applied. The Soviet delegation therefore joins in the resolution for an economic armistice, and proposes to supplement it by suggesting the simultaneous undertaking of an obligation by all states to suspend the application of each and every legislative and administrative measure of economic warfare."

Japan Not Agreeable to French Proposal on Shorter Hours

The question of decreasing working hours to 40 per week was advocated in a speech by the French Premier, M. Daladier. This proposition, in the opinion of the Bureau of Social Affairs in the Department of Home Affairs, at Tokyo is not acceptable as Japan has not yet agreed even to the 48 hours standard that had been proposed at the Washington Conference. The Japanese take the view that the present conditions in Japan make it impossible to agree to M. Daladier's proposal.

Korekiyo Takahashi, Japan's Finance Minister, interviewed by the press in Tokyo affirmed that the proposal for stabilization of currency would be of no value unless agreed upon by all the countries of the world.

Regarding the reported cut in the American gold reserve that was proposed to the World Economic Conference, Finance Minister Takahashi announced in Tokyo

June 20 that such in act on the part of America would not be concurred in Japan, in view of the pressing condition of Japan's cash reserve.

A London telegram June 13 stated that the Chinese delegation to the Economic Conference is actively lobbying, largely in connection with the silver question. The most notable steps of this kind were conversations between T. V. Soong and other Chinese delegates, with British and American delegates.

T. V. Soong Will Remain in London Until End of Conference

T. V. Soong and Quo Tai chi were entertained June 13 at a dinner in the House of Commons by the China Sub-Committee of the Foreign Affairs Committee of the Conservative Party.

It is announced that T. V. Soong will remain in London until the conclusion of the conference. Quo Tai-chi, Chinese minister in London, is representing China on the Economics and Trade Commission of the conference and Dr. W. W. Yen, Chinese ambassador to Soviet Russia, is the delegate on the Monetary and Finance commission. Mr. Soong, however, is spending several days on the Continent. He arrived in Paris June 20, when M. Paul Boncour, French Foreign Minister, received him together with Wellington Koo. Mr. Soong will later visit Berlin and Rome.

Pei Fu-yee is acting as an alternative delegate for Dr. W. W. Yen, on sub-committee one of the Monetary Commission and T. Y. Lo is acting in a similar capacity for Dr. Yen on sub-committee two. Mr. Pei and Mr. Lo are financial experts in the Chinese delegation to the Conference.

A German Suggestion Arouses Soviet Ire

A memorandum was handed by Dr. Hugenberg, a German delegate, to the chairman of the World Economic Conference urging the return of Germany's former colonies in Africa and suggesting that certain territories in Eastern Europe and in Russia be made available for German colonization. Commenting on this proposal which was repudiated by the other German delegates, *Pravda*, the Soviet organ, issued a stern warning to the Fascist government of Germany to refrain from attempting to lay hands on Soviet territory.

Pravda dismisses contemptuously the attempts made by the German delegation in London to saddle Dr. Hugenberg with the sole responsibility for the memorandum, describing them as "worthless subterfuges which must be swept aside." "The memorandum," *Pravda* asserts, "openly expresses the basic points of the adventurist foreign policy of German fascism, and it differs in no way from many similar statements issued by official representatives of present-day Germany."

Hawaii Will Continue to Have Its Own Governor

Among the legislation which was proposed, but which failed finally to pass at the session of congress which recently adjourned was the plan to put Hawaii under a non-resident governor. The Senate failed to follow the lead of the House which had passed a bill sponsored by Representative John E. Rankin, from Mississippi, amending the organic act of Hawaii so as to enable the appointment of a non-resident governor.

Representative Nirkson from Illinois opposed the bill, saying, "You are making a mockery of representative government. When this change is made it will be exploited in the streets of Tokyo and Yokohama, where the newspapers will ask why, after 32 years, the organic act of Hawaii has been changed. The Japanese will make their own interpretation of your action. It will have repercussions in the Orient."

Governor General Murphy Will Not Take Part in Independence Controversy

Frank Murphy announced in his inaugural address at Manila June 15, immediately upon his arrival there to take up the office of Governor General of the Philippines last week that he would not participate in the controversy now raging there regarding the acceptance or otherwise of the independence proposal made by the U.S. Congress several months ago. He said he would maintain a policy of "Hands off" regarding this matter. One of the major problems confronting the new Governor General is that of unemployment caused by the worldwide hard times.

THE FRENCH COURT DECIDES A CASE INVOLVING EXTRALITY

SEVERAL incidents occurred in the French Concession during the week in connection with the Russian restaurant and cafe, established a year or so ago by two brothers by the name of Tkachenko, which illustrate the contrast, under existing conditions, with those obtaining in former years in connection with the much-discussed issue of extraterritoriality, and particularly the abuse of it. In fact it has been the abuse of the system more than the principle itself to which the Chinese have objected. The cafe during the past half year or so had been hit by the prevailing hard times and had piled up quite a large amount of debts which it could not, or at least did not, pay—particularly an amount of more than three thousand dollars due to the musicians. In the course of the subsequent litigation, a member of the French Bar, using the time-honored expedient of extraterritoriality, drew up a plan whereby the title to the property either through purchase, or by the exchange of documents which simulated a purchase, was transferred to French citizens, in this case one of them being the well-known French importing firm Racine; although it seems that the Midland Investment Co., Ltd., a British concern, was also connected with the arrangement. Proceedings took place almost simultaneously in the Second District Court—the name by which the old French Mixed Court goes since its return to purely Chinese control—and in the French Consular Court. The debtors pressed for judgment in the Chinese Court. The French lawyer who appeared for the Tkachenko brothers pressed for an adjournment pending the decision of the French Consular Court. The Chinese Court, however, did not listen to the plea and kept one of the brothers in custody until he put up a guaranteed security that the debts owed by the cafe for which the Chinese Court held him responsible, would be paid. The following day the French Consular Court gave its decision, and the decision is one that does it credit. The French Court decided that the said French lawyer (Maitre Premet) could not claim French jurisdiction for the Tkachenko establishment, and assessed most of the costs against him. As regards the Racine firm and the Midland Investment Co., the Court held that it had no jurisdiction regarding the claims that they made in connection with the Tkachenko establishment and whatever expense they had gone to in connection with their intervening in the case were for their own account.

The Ethics of Opium Monopolies

Ellen N. La Motte, writing to the *Washington Star* May 17, says that for China to establish a government monopoly for the sale of opium would be disastrous, incidentally commenting, "Apologists pretend that a monopoly is the best way of bringing opium traffic to a close. In theory this might well be so. As a matter of fact, it has never occurred. The British have opium monopolies in their possessions of India, the Straits Settlements, Hongkong, the Federated and Unfederated Malay States, Brunei, Sarawak and North Borneo. Have they ever shut down on them and given up the revenue? Never. The French have a monopoly in Indo-China, the Dutch in the Netherlands East Indies, the Portuguese in Macao. Have these ever been abolished? Never. There is too much money involved. Mind you, these European powers are drugging their subject peoples—not their own. Not one of them would dare for a moment to set up opium monopolies in Great Britain, France, Holland or Portugal. But they are less squeamish when it comes to 'natives.'"

Col. Chao Acquitted of Abduction Charges

Declaring that the evidence was insufficient and unconvincing, the Military Court attached to the Garrison Headquarters of Shanghai-Woosung Area acquitted as innocent Col. Chao Wei-hsien, who was charged with being involved in the kidnapping of Wei Ting-yung in 1929, in a judgment delivered on June 18. Col. Wei was formerly Commander of the 6th Battalion of the Salt Revenue Constabulary Force attached to the Ministry of Finance, while Mr. Wei is an ex-commander of the Volunteer Corps in French Concession, both being sons-in-law of the late prominent business leader of Ningpo, Chu Pao-san.

The case against Col. Chao first came up in the Chinese District Court in the French Concession, but was later transferred to the Military Court of the Shanghai-Woosung Garrison Headquarters on the ground that Col. Chao was then an active service man and not subject to the jurisdiction of a civil tribunal. During the trial of the case at the Military Court which was presided over by Gen. Tai Chih, the Garrison Commander, it was revealed, Chu Cheng-ching, one of the five defendants who had been convicted and sentenced to long imprisonment terms by the Third Special District Court in the French Concession, confessed to the falsity of his testimony given at that Court against Col. Chao in the kidnapping of Mr. Wei. He told the Military Tribunal that he had implicated Chao as the principal at the instigation of Wei. He further testified that while lying wounded in prison hospital, he was visited by Wei who promised to secure his release and take financial care of his family on the condition that he consented to drag Col. Chao into the kidnapping affair. As Wei failed to carry out his promise and obtain his release, he said he regretted having wrongly implicated Chao at Wei's instigation.

After hearing the evidence of Chu and two other defendants who accused Col. Chao of making insulting remarks against Mr. Wei after the kidnapping affair, the Court found no sufficient and convincing evidence to incriminate Col. Chao in the kidnapping case and decided that the charges against Col. Chao be dismissed.

Col. Chao is a native of Szechuen and a well-known resident in Shanghai.

Hargrave Sentenced to Two Years Imprisonment in U. S. Court

A sentence of two years imprisonment was imposed by Judge Milton D. Purdy in the U. S. Court for China on June 19 on Glenn M. Hargrave, American automobile salesman, following his pleading guilty to a charge of involuntary manslaughter, the victim being Leslie M. Bell, a British subject. Counsel for the accused sought to obtain a suspended sentence and Hargrave himself, pleaded for an opportunity to continue working so that he could help support the family of the dead man. The sentence was imposed upon the recommendation of Dr. George Sellett, United States District Attorney, who urged a "substantial prison term" for the offense. Two previous offenses, when Mr. Hargrave had struck adversaries with his fists, had considerable bearing upon the court's judgment, it was intimated. In one case he had incapacitated his opponent with the first blow, and the second time the other man was rendered unconscious.

Mr. Bell met his death on May 31 when he was struck to the pavement by a blow from Hargrave. The tragedy occurred as the sequel to a quarrel between the two men concerning the sale of an automobile to a young Shanghai woman, whose name was not mentioned during the trial. The testimony showed that Mr. Bell had attempted to dissuade the woman from purchasing the car Hargrave was trying to sell her.

Hargrave is a native of Birthright, Texas, and first came to China with the U. S. Marine Corps and was transferred to the Fourth Marines stationed in Tientsin. Later he was in Shanghai. He was honorably discharged in America but returned here in April, 1932, taking up work as a salesman.

Kiangsu Elects Delegates to Fifth National Congress

The election of Kiangsu delegates to the 5th National Congress of Kuomintang Delegates was held at Chin-kiang June 15, when Messrs. Chou Shao-cheng, Ku Hsi-ping, Wang Ching-chiu, Ni Pi, Chou Hou-chun, Teng Ku, Ma Yuan-fang, Niu Chang-yao, Yeh Hsiu-feng and Chou Chieh-jen were elected. Messrs. Chiu Shu-chen, Po Meng-chiu and Yang Hsing-chin were elected as reserve delegates.

Shanghai Shocked by Murder of Noted Chinese Scholar, Yang Chuan

DURING the past fortnight, Shanghai has experienced a series of political assassinations, culminating in the murder of Yang Chuan, Vice-President of the National Research Institute (Academia Sinica) and Secretary-General of the China League for Civil Rights, in front of the Institute at 331 Avenue du Roi Albert at 8.45, June 18, while in his private motor car with his 14-year-old son. Mr. Yung's body was riddled by a fusillade of bullets fired through his car by four or five gunmen ambushed in the vicinity of the Institute; he succumbed to his wounds almost instantaneously. His son received one bullet through his right leg, and the chauffeur was seriously wounded in the chest and back and is not expected to live.



Yang Chuan

was divorced last year, a brother Yang Hsin, who is director of the Hangchow Telephone Administration, and two sisters.

Following his usual practice, Mr. Yang was taking his little son for a ride on Great Western Road on Sunday morning, June 18. Scarcely had he and his child entered the car, when a gang of armed assassins, believed to be four or five in number, rushed out from their ambush and poured a volley of bullets concentrated on Mr. Yang's car. The chauffeur was the first to fall and was followed by Mr. Yang and his son. According to some eyewitnesses of the incident, during the firing Mr. Yang was shielding the body of his son, which explains why he had received so many bullets, while his son was hit in the leg only once.

While the firing was going on, an alarm was sounded. Chinese policemen of the French Police on duty in the vicinity, answering the call, rushed to the scene and engaged the gangsters (who were fleeing in all directions) in a running pistol battle. The policeman succeeded in bringing down one of the gangsters, named Kao Teh-zung, at the corner of Avenue du Roi Albert and Route Vallon who however attempted to kill himself before the pursuing police could lay hands on him. He was subsequently arrested and was rushed to the Hospital Ste. Marie where he is said to have made a complete statement to the police on the assassination before he died of his self-inflicted wounds.

In view of the daring nature of the affair and the social prominence of the victim, the French Police have thrown out a dragnet for the arrest of the gang of assassins whose names are reported to have been revealed by their accomplice, Kao Teh-zung, who was seized by the chasing police. It is also reported that a number of important papers and clues on the case have been discovered on his person.

Shortly after the incident, Mr. Yang was rushed to the Hospital Ste. Marie in French Concession, but before anything could be done, he died. His son is receiving medical care in the same Hospital but his condition is not considered serious. The chauffeur is lying at the Chinese Red Cross Hospital on Avenue Haig with his life hanging in the balance. Mr. Yang's body has since been removed to the International Funeral Directors in Kiaochow Road.

Mr. Yang is survived by two sons, a wife who

Shortly after the incident, Dr. Tsai Yuan-pei, President of the National Research Institute, summoned an emergency meeting of officers of the Institute to discuss the affair and the rehabilitation measures for the Institute. He dispatched a telegram to Lin Sen, Chairman of the National Government and Wang Ching-wei, President of the Executive Yuan, urging the Government to take all the necessary measures for the apprehension of the assassins.

Funeral service for the late Mr. Yang took place at the International Funeral Directors, Kiaochow Road, in the afternoon of June 20 in the presence of a large number of foreign and Chinese friends, some of whom were high officials of the Government.

Mr. Yang was a native of Kiangsi, but was brought up in Yangchow of Kiangsu province. He was only 41 years old when he met his tragic death, which has proved a great shock to entire Shanghai. A profound scholar in Chinese classics and literature, Mr. Yang was also a graduate of Cornell and Harvard Universities with M. E. and M. B. A. degrees. He participated in the First Revolution in 1911 and served as secretary to Dr. Sun Yat-sen when Dr. Sun was elected First President of China at Nanking. He taught in Nanking and Shanghai for several years. During the Nationalist Revolution of 1926, he rendered great services to the Revolution in Shanghai and was once closely associated with General Chiang Kai-shek and Wang Ching-wei. After the establishment of the Nationalist Government at Nanking, he was appointed Vice-Chancellor of the University Council, which was equivalent to the post of Vice-Minister of Education. In 1928, he in cooperation with Dr. Tsai Yuan-pei and several other educational leaders organized the National Research Council, of which he was made Vice-President, which post he retained up to the time of his tragic death on June 18.

Mr. Yang was one of the China's best known cultural leaders and was a poet and essayist of great repute. Liberal in outlook, he took prominent part in the China League for Civil Rights which was founded by Madame Sun Yat-sen. Mr. Yang served as Secretary-General of the Organization and was active in the defense of political prisoners and communists, especially in the recent case of kidnapping of two communist writers, one woman by the name of Ting Ling and another men, Pan Chu-nien allegedly by secret service agents of the Central Party Headquarters of Kuomintang. Previous to the occurrence of the tragic affair, Mr. Yang received many threatening letters from unknown quarters, warning him to cease activities in connection with the League and threatening that if he continued to meddle in the campaign against the Communists, he would be assassinated. Friends of Mr. Yang also warned him to be cautious in his movements and activities and one of them purposely made a trip to Shanghai to dissuade him from going to Nanking, when he was contemplating to make a periodic visit to the Capital in connection with the business of the National Research Institute. But Mr. Yang ignored all the warnings, friendly or otherwise and his heedlessness has caused his untimely and tragic death.

In connection with the assassination of Mr. Yang, Madame Sun Yat-sen, in her capacity as Chairman of the China League for Civil Rights, issued the following statement:

"Last Friday—(June 16). Mr. Yang came to see me and showed me many of the threatening letters he had received in recent weeks and told me of verbal warnings he had been given concerning plots against his life. His told me that on several occasions friends had come to him directly from Nanking to warn him that certain people were planning to kill him. On Friday his particular mission was to warn me that several of the letters he had received included my name among those who would soon feel the blows of the Terror. I told him I had likewise received many such threats—often in the visit possible language—and urged him in turn to be careful. That was the last time I saw Mr. Yang. These people and their hired murderers think they can crush the slightest movement of struggle toward freedom by sheer force of violence, kidnapping, torture, murder—these are

the weapons of their rule. They signalize and characterize the entire regime. The China League for Civil Rights represents one such movement and it was because of his activities in this organization that Yang was murdered in cold blood. But far from crushing us, the penalty he paid for his liberalism must mean renewed struggle and renewed efforts to carry on until events develop to their logical conclusion. Let the murderers of Yang Chuan realize that political crimes inevitably carry with them their own penalties.

"SOONG CHING LING."

At the same time, the China League for Civil Rights has also issued a statement, stating that at various times during the last few months, Mr. Yang had received many anonymous threatening letters and had likewise been warned directly from Nanking to quit the League and to cease his activities on its behalf. The statement further said that Mr. Yang was informed by a friend that certain people in Nanking had distributed 300 copies of his photograph among the gangster organization in Shanghai with a flat reward promised to the man or men who succeeded in putting him out of the way. Continuing, the statement says: "This beastly crime comes in direct succession to the kidnapping of Ting Ling and Pan Chun-nien and the murder of Ying Hsu-jen and represents another step in the wave of insane terror launched in Shanghai by people who can only be described as mad dogs running wild." The statement concludes with an appeal to the people to raise their voices against the murder of Mr. Yang and similar barbarous crimes and to join them in helping to carry on the struggle.

Ma Shao-wu Murdered in Settlement

Reports in both Chinese and foreign papers on the assassination of Mr. Yang persistently point out its connection with the case of murder of Ma Shou-wu, secret service agent of Central Kuomintang Party Headquarters at Nanking and concurrently inspector of the Bureau of Public Safety at Shanghai, on the evening of June 14 in Lane 223, near Foochow Road. Ma was riding in a car bearing the number 4223 and drove to the Lane to dine in a sing-song house known as "Sweetheart." Just after he had alighted from the car and made his way to enter the house, a gang of gunmen opened fire at him from a dark corner in the alleyway and before he was able to pull out his service pistol, he was shot down and left lying in pool of blood with bullet wounds over his body. He died 15 minutes later at the Lester Chinese Hospital in Shantung Road. It was revealed that a search of his garments at the Hospital disclosed a notebook giving names of the communist suspects throughout the Shanghai Area.

May 14 Kidnapping Affair

Investigation of the case by police revealed that Ma was an agent of the Central Kuomintang Headquarters at Nanking attached to the Bureau of Public Safety in an honorary capacity of inspector, and the shooting was an act of retaliation for the kidnapping of two communists Ting Ling and Pan Chun-nien and the death of Ying Hsu-jen in Quinsan Gardens on May 14. Substantiating this view and the relation of the case with the kidnapping affair was the car used by Ma, which bore the same number 4223 as that used for the kidnapping of the two communists. The car bearing this number was found to be one of the cars belonging to a Bureau of the City Government of Greater Shanghai Municipality and was detailed to Ma for his use on that night. From these circumstances, it was surmised that Ma was assassinated by Communists in revenge for his activities in rounding up their comrades in Shanghai on behalf of the Nanking Party Headquarters.

According to one Li Chle-chen who wrote to the *China Forum* in connection with the case, Ma and his fellow assistants were responsible for the kidnapping of Ting Ling and Pan Chu-nien on May 14. Li himself was also a communist held under detention and was asked to escort the raiding party to identify Ting Ling and other communists during the raid. He witnessed the carrying off of Ting Ling and Pan and the killing of Ying Hsu-jen by being thrown from the window of the building. During the confusion of the raid, Li succeeded in escaping, but he had sufficient calmness to take notice of the number of the car which was 4223. It was largely through Li's writing that the kidnapping affair became known and that the assassination of Ma was identified to be a case of communist revenge.

Since the disappearance of the two communists, Ting Ling is reported to have been killed, while Pan Chu-nien has been sent to Nanking for investigation. Ting Ling is a native of Hunan. Her surname is Chiang, while Ting Ling has been used largely as her pen name. She is one

of the few recognized women writers in China and author of several books of fiction, notably "In the Dark" and "A Suicide's Diary." She was married to a communist writer, Hu Yieh-ping, who was killed for his communist activities. After the death of her husband, she has also turned communistic and thus allegedly had attracted the attention of the Nanking Party authorities. Her fate is still unknown, as no trace could be found of her after the kidnapping affair on May 14.

Ma Shao-wu's assassination has aroused considerable attention in Chinese official circles. In view of the seriousness of the affair, the Nanking authorities, according to the *Evening Post*, have sent down a special investigator named Koo to probe all the aspects of the killing. A funeral service in honor of him was held in Chinese City, which was attended by many of local officials. Gen. Wen Hung-en, Commissioner of Public Safety Bureau, issued a statement, paying a tribute to Ma's zeal and efficiency.

Great World Manager Assassinated

While devoid of political significance, but equally a sensation, is the assassination of Tang Chia-peng, manager of the Great World Amusement House in French Concession at 12.30 a. m. June 18 in front of the Amusement Center. At about that time, a crowd of amusement seekers while coming out of the Great World were startled when gunmen poured a fusillade of bullets at the entrance. The crowd stampeded for life and the gunmen escaped.

When the crowd cleared, two men were found lying in a stream of blood, one of them being Tang, manager of the House and the other, an unidentified amusement seeker. Tang was fatally wounded and died on the way while he was rushed to the Paulun Hospital.

Tang was a native of Ningpo, 45 years of age. He had been manager of the Great World for three years and was also one of the owners of the Great China Hotel on Tibet Road. He is survived by a wife and three children. Personal revenge is said to have been the motive of this shooting.

Chinese Journal Is Critical of Unassimilated Foreign Education

In discussing the danger of allowing too much foreign education to seep into Chinese affairs, particularly of a kind where the recipients of the foreign education seem to have lost sight of conditions in their own country, the *Shanghai Min Pao* ("People's Journal") recently said that many of the "returned students" are totally ignorant of conditions in China, and content themselves with copying or imitating things which they have seen or learned in the schools abroad, but entirely inapplicable in China. The *Min Pao* cites the case of a certain student who had received a diploma in hygiene in a large English school, who, on returning to this country, received a government position. In the course of his duties he made an enquiry into hygienic conditions on the Chinese railways. According to the printed questionnaire prepared by him the station masters were asked to indicate the number of people who frequented the toilet rooms attached to the station. In another case where a "returned student" was making an enquiry into the condition of the rural classes in China, the printed questionnaire had this question: "How many automobiles do the Chinese peasants in this district own?" It is certain, commented the *Min Pao*, that this returned student had got entirely out of touch with things in his own country and had merely copied a form which he had brought back from the United States.

Chinese Merchants on North Szechuen Road Protest Against Tax Collections

Chinese shopkeepers along North Szechuen north of Range Road in Shanghai declared a general business suspension beginning of this week as a protest against payment of tax assessments to the Municipality of Greater Shanghai, following the arrest of four merchants who were charged with being responsible for stirring up agitation against the municipality. The question of tax assessments and collections along the extra-Settlement roads is one of the most important left unsettled as a result of the virtual breakdown in negotiations over the outside roads issue. Prior to 1927 certain forms of assessments were made along the outside roads by the Foreign Municipal Council, but since the assumption of power by the Nationalists the S.M.C. has discontinued its collections along North Szechuen road. The result has been that no regular assessments have been made or collected by either the Chinese or the Settlement municipalities.

T. V. Soong Asks World Aid for China

T. V. Soong, the Chinese minister of finance, speaking at the Economic Conference in London June 15 asked for world aid in developing China. He began by saying that China had entered the conference with an earnest desire to co-operate with the rest of the world in securing a lasting solution of the world economic crisis. The problems facing them were difficult, but they were not beyond human solution if approached in the right spirit and with the necessary determination. A great responsibility rested with them, for the rewards of success and the penalties of failure were alike incalculable. Failure of the conference, he continued, would not only prolong the depression, but would profoundly discredit those now charged with the responsibility of governing the world, while success would bring an era of greater and more stable prosperity.

Stating the general lines of the policy on which China was prepared to co-operate with other countries and the specific contribution China could bring, Mr. Soong recalled the cardinal factors in China's position. In other countries they saw over-production, surplus and glut; in China scarcity, under-development and paucity of means of purchase. Contrasting the development of China with that of the United States as an example, the Chinese minister of finance pointed out that China today had 7,000 miles of railways against 275,000 miles of railways in the United States, and 20,000 miles of motor roads as against 3,000,000 miles in the United States. Other forms of industrial and commercial development were just as disproportionate. The foreign trade of China had been increasing, but was still trifling in relation to her population, reaching in 1932 the figure of four billion dollars Chinese currency. There were delegates there from countries where the foreign trade amounted to nearly £10 per family. China's was more like seven shillings—and this in a country of virile, industrious people comprising one-fifth of the human race and endowed with immense, though undeveloped natural resources.

The Standard of Living

What followed from this? Surely, said Mr. Soong, if the standard of living in China were raised, "as we mean to raise it," the consuming power would not only absorb China's own industrial production, but would provide the greatest of all markets for the world—so great as to be a decisive factor in a new era of prosperity. Next, China offered the greatest possible opportunity for the productive employment of capital—Western and Chinese capital together. Surely it should not be beyond the statesmanship of the world to find a form and method that would satisfy the ideal of Dr. Sun Yat-sen in securing, on the one hand, the political and economic independence of China, and, on the other hand, affording western capital, industry and commerce a profitable field for development.

Dealing with China's contribution in policy and action, Mr. Soong emphasized that it was the first task of each government to establish its own system soundly, and its next task was to co-operate with others in a sound world policy. Amid the difficulties which he need not now describe, he thought the Chinese had reason to be proud of certain achievements. Their present administration had the support of the people. They had balanced their 1932 budget and had carried through successfully the conversion of their internal debt.

Some Defaults, Due to Calamities

"I do not wish you to infer that we have been able to take care of all the loans contracted by China before the formation of the national government in 1927, some of which are in default but it does suggest that if the Chinese Government has been able to carry on in the face of national calamities, internal difficulties, world-wide economic crises and foreign invasion without borrowing, it will not prove an insuperable task to compose her just obligations once these difficulties have been partially or entirely removed." They had also carried through the enormous work of reconstructing the dykes on the Yangtze destroyed by the floods in 1931. This work had been supervised by 4,000 Chinese engineers and technicians, who at one time had under their orders

1,400,000 workers. Five thousand miles of embankment had been built. The dykes were so strong that the 1932 floods had not made a single breach in them, and the area devastated by the floods in 1931—the home of 43,000,000 people—last year had bumper crops. He was glad that the League of Nations, which had provided the Chinese with valuable technical advice in regard to this problem, was also helping them in other economic problems.

Referring to silver, Mr. Soong said that the western world was experiencing difficulty with managed currencies which fluctuated in their relative value from day to day, thereby dislocating foreign trade, and they were seeking at the Conference to overcome these difficulties. The Chinese had similar difficulties, because although the Chinese currency was metallic and not managed, there had been violent fluctuations in the price of silver in relation to gold and non-gold currencies. Silver was now at a very low price and he personally hoped that while other commodities would rise in relation to gold, silver would do so also.

Mr. Soong pointed out that a reasonably stable value for silver was more important than an increase in the value of the white metal. He hoped, therefore, that while stabilization would be sought for gold currencies, it would also be sought for silver, which was the currency of China's vast population, as well as being of great interest to the almost equally vast population of India.

Turning to the general line of co-operation which China wished to pursue, the Chinese minister of finance said that a few people in China and a large number in other Asiatic countries believed that Asia had little to learn and nothing to fear from the West and urged a combination of western technique with low eastern standards of living, contending that they would thereby capture the markets of the world. They would exclude western co-operation in the name of "Asia for the Asiatics" and the so-called "Monroe doctrine for Asia."

Reject Isolation

"Such doctrines," said Mr. Soong, "are alien to our conceptions of international intercourse. We do not propose to follow them and we shall reject national or regional isolation."

"This, then," Mr. Soong continued, "is our policy. It is the settled aim of my government to develop China's consuming power. We mean so to reorganize the country that we can raise the standard of living."

"Economic development and exploitation of our natural resources are our constant preoccupation. We desire to achieve this by means which will advance international co-operation and to benefit from it. We welcome western capital and skill and desire to maintain a fiscal policy which will not prevent the entry of foreign goods."

Mr. Soong recalled that it was some years since China had been relieved from "antiquated treaty restrictions" and had secured full tariff autonomy. She had not used that freedom to build up a protective tariff wall. On the contrary, she desired to see the world as an economic unit whereby each country would develop along lines best suited to the genius of its people and the nature of its resources instead of pursuing the will-o'-the-wisp of economic self-sufficiency.

Chinese Tariff Rates Are Low

China's tariff rates were lower than those of most other countries. Duties were imposed for purely fiscal purposes and anyone who knew the difficulties of direct taxation in China would understand why her tariff revenue was important.

China had placed no such restrictions upon trade as quotas and had imposed no exchange restrictions despite the slump in silver and the difficulties thereby created for the Government.

"We shall adhere to a policy of freedom from artificial restrictions in the firm belief that we shall thereby not only promote the interests of China and the world, but also further the broad social and political purpose which lies behind the policy of economic development which I have now described."

China was convinced, he continued, that by basing her reconstruction on these principles she would obtain the greatest possible help in her own progress and provide a great new market whose potential consuming power might prove a decisive factor in effecting a real and lasting recovery of the world as a whole.

Where the Arguments of Japanese Propagandists Are Fallacious

(BY A CORRESPONDENT IN MANCHURIA)

TO prevail upon a critical audience to accept a problematical issue is a hard task and not infrequently the speaker or the author in that case resorts to citing numerous statistical data said to prove that argument. In the same position seems to have been George Bronson Rea, special representative of the Manchukuo Government at Geneva, where he had been doing a great deal of lobbying among the representatives of various governments at the time of final discussions of the Manchurian problem by the League of Nations. On his way back from that city to Manchukuo he travelled through the United States, where he visited many places and, because of his official status and being a journalist of no mean reputation, was given opportunities to enlighten the American public on the origin of the new State of Manchukuo of which he claimed to be an official representative. One of such addresses was given on April 13 last to the members of the Down Town Association of San Francisco the text of which address was assiduously given by the *Osaka Mainichi* in its issue for May 2. Later on, namely, on May 30, the address was reprinted again and circulated over the world in pamphlet form together with other material bearing on the first anniversary of the State of Manchukuo. We do not know what impression the address had made on the audience; however, it is reasonable to think that, probably, not a few persons left that gathering thoroughly convinced of the unassailability of Rea's arguments, hence the righteousness of the appearance of the new State; yet, in our opinion, many of his arguments cannot be accepted at their face value—even more, a close scrutiny of them shows a clear attempt on the part of the speaker to play on the credulity of the audience in order to drive home a debatable issue.

He opens the address with a statement that he represents the State of Manchukuo and after thanking the audience for giving him a hearing proceeds with laying down his contention, which process he, for the sake of convenience, divides into two parts; first—discharging the duties of the Manchukuo envoy and secondly—discharging the duties of the American citizen.

The Birth of a New State

As the Manchukuo envoy he set forth the following arguments as illustrating the inevitability of the birth of the new State:—

(1) That in Manchuria there are now living 21,000,000 people of Manchu origin, a race quite distinct in physique, mentality and language from that inhabiting the rest of China; the presence of these 21,000,000 Manchus may be computed by the following calculations—from the present population of 28,000,000 should be subtracted 7,000,000 Chinese, immigrated into Manchuria since 1887, which leaves 21,000,000 of fullbred Manchus, inhabiting the land ever since the establishment of the Manchu dynasty in 1644;

(2) That till 1911, the year of the Chinese Revolution, no Chinese was allowed to enter into Manchuria, regarded as a crown area, for which purpose strict exclusion measures were being maintained all the time, so that the Manchus have had no chance to intermix with any other nation, hence they have till now preserved their racial and linguistic properties;

(3) That there was no invasion on the part of the Japanese army which was stationed there by treaty rights for the specific purpose of protecting the Japanese nationals and their property;

(4) That there was no coercion on the part of the Japanese when the inhabitants, voluntarily and on their free will, set out to establish their own sovereignty, especially at the time when, after the disappearance of the Chinese authorities, "a vacuum" had been created which had to be filled up somehow;

(5) That the Enquiry Commission of the League of Nations, sent out to investigate and report on the dispute, violated its authority, handing down a biased and verdict highly prejudicial to Japan, thus having turned from mere investigators into judges.

Since these arguments have sufficiently been debated in every conceivable way, it is not our present task to

refute them, for the hollowness of them is evident to anyone, who is interested in the Far Eastern affairs. Concerning the population problem one is bewildered as to whom to believe—Mr. Rea's contentions or in the authority of the South Manchuria Railway, (Japanese owned) which in its official report entitled *Second Report on Manchuria* and dated April, 1931, bluntly states that "although the indigenous peoples of Manchuria are the Manchu and Mongolians, 90 per cent of the present population of 29,000,000 are Chinese", in direct refutation of Rea's statement that 21,000,000 of them are full-bred Manchus. We have mentioned it just in passing. What does interest us much is the second part of his speech in which he "discharges the duties of the American citizen". Here he begins with the statement that the so-called Open Door Principle, reduced to its true values for Americans, is the right to sell goods to China. In this respect he comes to startling conclusions, which may be epitomized as follows:—

(1) The average American trade with China equals 10,000 gold gollars annually, of which from 50 to 60 per cent comes to American produced oil and tobacco, articles in which America holds a monopolistic position in the world. For the present, when the competition from Soviet Russia in oils is not strong and when the tobacco industry in China is still in its infancy, the United States have no fear to lose this exclusive market, in which the States hold a monopolistic position. A good deal of the stated annual trade, namely, from 25 to 30 per cent, represent what the Japanese buy from the United States for the upkeep of their enterprises in China. Conspicuous among those Japanese imports, but in reality shown in Chinese statistics as Chinese business, are machinery for various use and some of raw materials. The annual value of imports of this sort Mr. Rea believes to reach a good sum of 30,000,000 dollars at the smallest.

(2) So the pure Chinese business with America, oil and tobacco being excluded, cannot exceed 25,000,000 dollars annually, or—to put it in other words—the net profit from the 100,000,000 dollar business cannot exceed 10,000,000 dollars,—a sum too insignificant to go into war with a first class military power.

(3) If to this one will add what Uncle Sam expends annually for the missionary work in China, the upkeep of the Army and Navy forces stationed there permanently, and especially the aggregate value of the remittances made by Chinese residents in the United States to their homeland, the above contention, namely, the worthlessness of defending our Chinese trade, becomes indisputable.

Rea Would Scrap the "Open Door"

Thus shorn of all rhetoric appurtenances Rea's statement comes to the advocating of discarding the age-long American policy of enchaining the Chinese trade together with the principle of the Open Door,—all of which must go overboard. Even more, he wants, but does not say straightforwardly, that it would be more businesslike for Americans to enhance trade relations with Japanese instead of Chinese, that every boycott of Japanese goods in China means the boycott of American business said to be dependent, as stated above, upon the smoothness of Japanese business in China.

I was greatly impressed by these startling conclusions and in order to ascertain where the truth lies set out investigating whether actual statistical data conform to Rea's contentions and found out his assertion cannot be accepted without certain corrections. It appears certain that he did not take into account, or may be the latest statistics relating to China's foreign trade of which a synopsis was given by Ho Ping-yin, director of the Bureau of Foreign Trade, in the *People's Tribune* (afterwards reproduced by the *Review* in the issue for April 22), did not come to his knowledge. A perusal of the said work reveals the fact that since 1918 the trade with the United States is steadily increasing so that in 1932 "the United States took the leading position in China's foreign trade, while Japan dropped to second place, appearing to have lost her dominant position in the foreign trade of China".

If compared with the exports of 1913, the export trade of the United States with China increased by 447

per cent, whereas Japan's exports increased only about 25 per cent (see the *Manchuria Monitor*, Harbin, No. 5, 1932, p. 9). The fact that the United States trade with China has for all these years been on the increase may be seen also from the material relating to China's foreign trade appearing in the *Glimpses of the East* for 1932-1933, published by the Nippon Yusen Kaisha, a Japanese government owned shipping concern. According to said authority, already in 1929 the States replaced Hongkong from the second place in China's imports, since then coming immediately after Japan. More recently, namely, on May 21, this year, it was circulated by *Reuters* from Nanking that the United States still led in China's imports, Japan occupying the second place, to which she dropped in 1932. From these data it may safely be assumed that the trading with China is not so bad as pictured by Rea, on the contrary it shows every evidence of steady increase.

It was surprising to find in Rea's address not even slightest allusion to one important side of Chinese-American trade relations, namely, to the total value of American investments in China. Mr. Rea dealt only with imports into China, giving no consideration to China's exports to the States and especially to American investments in China, a fault which cannot be pardoned to a man of Rea's standing and erudition. There seems to be no one opinion as to the total value of American investments in China, but we might cite the following statements made on the subject by various authorities:—

American Investments in China

(1) According to the *Nankai Weekly Statistical Service* for January 25, 1932, the American investments in China totaled the sum of U.S. \$191,000,000, comprising 5.7 per cent of total foreign investments. Of this, 155,000,000 dollars were business investments.

(2) Mr. Pogrebetsky, a Russian economist, writing on foreign interests in China in the *Manchuria Monitor*, 1931, No. 10, p. 4, assumes the total American investments in China to be about 150,000,000 gold dollars. Professor K. Rommer, on the other hand, believes the total volume to be about 200,000,000 dollars. H. G. W. Woodhead, in his *China Year Book* for 1931-1932, cites the same sum of 150 million gold dollars, to which he states should be added the value of the Shanghai Power Station coming to about U.S. \$50,000,00.

Now we come to the analysis of the part of Rea's speech in which he propounds that Japan annually buys about 30,000,000 dollars worth American machinery and raw materials for the upkeep of her railways, cotton mills and other enterprises in China. It should be regretted that Mr. Rea does not explain the way he has arrived at such a downright conclusion and I doubt the veracity of this statement for the reason that Japan herself is a good manufacturer of the machinery and spare parts for her industries in China. This does not relate to raw cotton, which she buys from the United States and India, turns it into textiles and sells to China. As to the machinery for cotton mills and railways, said to be bought from America, I doubt the seriousness of this statement since, as stated, Japan is herself a good manufacturer of this kind of machinery. It would be to the advantage of Mr. Rea and of all those interested in this subject that the *Osaka Mainichi* in its supplement dedicated to the Japanese cotton industry dated September 30, 1931, gives the names of the following Japanese manufacturers of cotton machinery and parts, which we give here by way of illustration; the Toyodashiki Kaisha, the Toyoda Jido Shokkai Kaisha, the Enshu Stokkai Kaisha, the Osaka Kikai Kosakusho, the Nippon Spindle Seisakusho, the Kanai Travelling Seizoshu and several others. Writing further on this subject the paper states that "Japan has not only reached the self-supporting stage in point of these accessories for spinning and weaving, but she has also advanced to the position of one of the leading exporters of these fittings and machinery. The only regret is that Japan has yet to turn out fine card clothing", and that "in rivalry with British and other makes, the manufactures of the Umeda Seikosho are fast driving these types out of the markets in China and India".

I have cited these Japanese statements to show that the Japanese, by logic of facts, have no reason to buy the American or any other machinery for their cotton mills in China.

As to railways, constituting another major Japanese investment in China, especially in her former Three Eastern Provinces, now forcibly detached from China under the style of Manchukuo, it should also be doubted that the American made machinery and equipment is

being employed in running the said railways. Japan manufactures a full range of fine railway equipment ranging from locomotives (amongst which come the famous Mikado type locomotives) to ordinary switches and I see no reason why she should be importing costly American engines and equipment for the maintenance of her railway system in Manchuria. It is true, formerly, namely, before September 18, 1931, American machinery was finding a steady way into Manchuria, being bought by the Chinese Government for its own railways and also by the Soviet-Chinese controlled Chinese Eastern Railway—then the Chinese kept shy of buying the Japanese equipment notwithstanding the freight advantages. A considerable part of the railway business was then—that is, before the Mukden incident—given to the Skoda Works, a Franco-Czechoslovakian machinery and munition manufacturing concern.

Japan as the Middleman

Reading Rea's statement, one would draw the inevitable conclusion from his arguments that it would be more businesslike for Americans to enhance the Japanese trade, that is, to continue selling machinery and raw materials to China through the Japanese medium as hitherto; or—in other words—to perpetuate the present abnormal situation when American cotton is being sold to the largest Oriental customer through a Japanese middleman.

Mr. Rea seems to be a statesman of great foresight, for, if the United States were to adopt his recommendations, the greatest American export trade (i.e. cotton trade) would go into the hands of a growing competitor with a result that a day might come when the said competitor will want no more American cooperation in Asiatic trade. He advocates a perpetuation of the present situation; he does not wish that more cotton and weaving mills should operate on Chinese soil, which in turn would mean increased direct importation of the American grown cotton; for him the prosperity of the Japanese cotton industry is closer to heart than anything else. However, recent events seem to work against this ardent desire of Rea, for the recent increase of Chinese customs duties on Japanese made cotton goods will serve as an unsurmountable barrier against the inrush of the said goods—it will enhance the Chinese cotton industry, hence we shall from now on witness a steady increase of American and Indian raw cotton imports into China. Furthermore, it will not be a surprise, with general conditions permitting, if American capitalists will be investing in cotton mills operating on Chinese soil.

A few words should be said in conclusion about the alleged costs of the missionary work in China, the federal expenditure for the upkeep of the Army and Navy units in Chinese territory and the Chinese remittances from the United States. The uplift work, maintained by Americans in this country, is the best exhibition of their true intentions in this part of the world—that they have come here not as imperialists to get as much as possible and not to give anything back, but to seek the goodwill of a great race slowly but surely coming into the orbit of Western civilization in the hope that the opening of limitless Chinese markets and in the right way will go a long way towards ameliorating social controversies in America and elsewhere.

American Forces in the Far East

As regards the expenditure for the upkeep of the U. S. Navy and Army units here, it has been felt by many successive administrations that the American interests in China, generally in the Far East, are too great and play too important a role in American life to leave those interests and rights unprotected; hence Uncle Sam does not bother over the cost of maintaining his service men in this part of the world. In reality there is no big difference between the stationing of warships or soldiers in Manila, Shanghai, Tientsin or San Diego, for this expenditure is inevitable; on the contrary, the stationing of these forces outside their own domain, in different climes, and in the region of future storms, enhances their fighting qualities,—a proposition which cannot be waved aside by Uncle Sam, Mr. Rea's opposition notwithstanding.

The emphasis thrown by Mr. Rea on the Chinese remittances from the United States to China should be dismissed as quite irrelevant matter, designed to sidetrack the main issue; he has certainly not forgotten the fact that a few hundred thousand Japanese residents of the United States, also remit to their homeland a goodly portion of their earnings. If we have to argue on this basis, we will come to Heaven knows what conclusions.

Dairen, June 10, 1933.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Canton Marks Time

BY WILBUR BURTON

THIS article probably could be correctly entitled "The Collapse of the Cantonese Independence Movement."

However, "collapse" is a pretty strong word for any movement in Canton against the central government unless it is emphasized that although the southern politicians may be down, they are never out. Further, the unexpected happens with such regularity in China that sometimes it seems as if the surest omen of an event is its theoretical impossibility; in fact, the principal charm of life in Cathay is that not even the wisest seer can be certain what the morrow will bring forth.

But the best "dope" is that there won't be any formal declaration of independence by the Canton clique in the near future, and at least one southern leader—Dr. Kan Chieh-hou, inspector-general for foreign affairs for the five southwestern provinces—has said so without reservation. Interviewed by the writer shortly after the Tangku armistice was signed, Dr. Kan said flatly that "there will not be any independence movement at the present time." And Dr. Kan should know whereof he speaks.

The absence of a formal independence movement, of course, does not mean that the Nanking-Canton breach is healed, or that an era of Chinese national unity is dawning. Instead the *status quo* will be maintained; Canton will continue to exercise its *de facto* independence of Nanking authority and mark time in expectation of some eventual national crisis which might make possible the overthrow of General Chiang Kai-shek. In fact, some Cantonese leaders, notably Eugene Chen, appear to believe that an internal upheaval is due in Nanking soon—in a month or two,—because, in Mr. Chen's opinion, foreign business interests, no less than Chinese business interests, are supporting General Chiang only in the absence of any other leader and would welcome a change.

Canton Is Ready to Oblige

And if groups of any appreciable strength anywhere in China ever want a change in the central government, Canton will be glad to assist them to the best of its not inconsiderable ability in the technique of rebellion. This, in fact, according to a clever analysis by Mr. Chen, is the chief function of Canton.

"The historic role of Canton," he declared recently in a lengthy interview with the writer under the shadow of white, pagoda-like shaft atop Chungshan to the memory of Dr. Sun Yat-sen, "is to stage a general election whenever necessary in an inorganic state where there is no machinery for counting heads, but only for chopping them off. Thus, Canton's policy depends on developments elsewhere in China. In an organic state, heads are counted for a change of government. In an inorganic state they are chopped off in the procedure of changing the government. China today is an inorganic state and will remain so as long as such a Mongol Khan as Chiang Kai-shek—who regards the government as a family possession—remains as the head of the recognized regime."

The Expeditionary Force

Conditions now, however, are apparently not ripe for a new "general election." The Canton clique had hoped, and rather expected, that they would be after the Tangku truce. In anticipation of the signing of an armistice on the northern front, there was, as I recounted in an article in *The China Weekly Review* of June 3, hectic activity in the south. Nor was it altogether vocal; a Southwest Expeditionary Force, ostensibly to fight the Japanese, but actually to fight General Chiang if the opportunity arose, marched to the Hunan border where it had General Ho Chien greatly perturbed.

At the same time an alliance was formed with Marshal Feng Yu-hsiang in Kalgan, and negotiations were conducted to obtain the goodwill, if not the active support, of General Han Fu-chu in Shantung. The active support of the 19th Route Army in Fukien was believed definitely assured.

Thus, when the signing of a truce between General Chiang and the Japanese was announced, it was planned that Marshal Feng would issue a circular telegram denouncing the armistice and calling on the nation to follow his lead in continued armed resistance to Japanese aggression. Many generals in the north were expected

to endorse the telegram; a split in the Nanking government was anticipated; mass demonstrations of popular approval were expected in leading cities; and the Southwest Political Council would proclaim the Nanking government as illegal, false to the principles of Dr. Sun, and a tool of the Japanese. Canton would arise as the national savior.

The long delay (almost two weeks) in any official, formal denunciation of the Tangku truce is a significant revelation in itself of the failure of Cantonese plans. If all had gone as planned, the Southwest Political Council would have thundered its disavowal of the truce, together with the claim that it was the true voice of China, before the ink was dry on the agreement. Further, it is important to note that the denunciation of the actual armistice was much milder than the previous repudiation of a hypothetical armistice. The manifesto of May 20 said "the Chinese people will refuse to recognize the validity of any agreement" of surrender, the obvious implication being that the Council was speaking for all of China. But in denouncing the real truce, Canton displayed unexpected modesty in refraining from telling the League of Nations, the signatories of the Nine Power Treaty, and the U.S.S.R. (to all of whom the note was addressed), that it was the rightful, legal spokesman of China. Instead, the note very mildly said only that "the Southwest Political Council declares that it will not recognize the validity of the aforesaid armistice," adding vaguely that "it will be compelled to take steps to safeguard the honor and vital interests of China as a nation determined not be conquered." Anyway, the record has been kept clear; Canton has officially registered its protest. Members of the Council speaking unofficially, and unofficial bodies officially inspired, were more warlike before the formal protest, but evidently these "feelers" did not arouse the proper response over the country.

Failure of Cantonese Plans

Further evidence of the failure of Cantonese plans was recorded on June 1, directly after news of the signing of the Tangku truce was received in Canton, when it was announced that General Chen Chi-tang, commander of the Cantonese forces, had accepted an appointment offered by Nanking as Commander-in-Chief of the Southern Anti-Red Forces. Now, appointment to the same post was also tendered General Chen by the Southwest Political Council, and General Chen cannily accepted the appointment without saying who he accepted it from. This, of course, was quite clever in a cheap way, but it may be taken to indicate that at the moment General Chen has no intention of crossing swords with Nanking regardless of the cross words being hurled northward by his various political aides. (In confirmation of this deduction, a *Reuter* report from Nanking on June 10 said the central government was going to double the present monthly appropriation of \$300,000 to General Chen. This will mean that he will receive at least twice the customs surplus of the Kwangtung ports).

The End of the Anti-Nanking March

Still further indication that independence stock is bearish was furnished in the following dispatch of the official *Central Press* news agency on June 6:

"General Tsai Ting-kai, commanding the 19th route army, telegraphed today to General Chen Chi-tang, commander-in-chief of the first group army, stating that since the truce has been consummated, it is impossible for the two detachments to fight the Japanese, although they are most eager to defend the country.

"In the circumstances, General Tsai said he ordered the return of the two detachments to Fukien via the Kwangtung borders.

"It was learned that the fourth independent division which is stationed at Lohchang and Shaokwan, northern Kwangtung, has suspended its further march northward, and perhaps may be sent into Kiangsi to suppress the Communists.

"The two battalions of Kwangsi troops who are proceeding for the northeast front have been ordered to halt further movement northward, but are instructed to go to Kaingsi to wipe out the Reds."

Thus ended a military movement that was intended to provide the southern spearhead of an open campaign to overthrow Nanking.

The reasons for Canton's present failure to stage a "general election" are not difficult to discover. First, is the fact that Marshal Feng was unable to muster enough

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support to make him a real threat against General Chiang in the north. Marshal Feng may have, as alleged, 150,000 men, but if so, they are undoubtedly poorly equipped with very dubious prospects of obtaining any real assistance from any source unless—as the Cantonese still vaguely hope—there is an internal split in Nanking. Certainly there is no reason to believe, as is being claimed in some quarters, that Feng is receiving aid from the Soviet Union; Moscow apparently never aided the volunteers in Manchuria (although it would seem to have been to her ultimate best interests to have done so), and consequently there would not be much point now in trying to aid Feng to harry the Japanese directly, or indirectly by attempting to seize Peiping. Further, even if Moscow wanted to aid Feng, it would be virtually impossible in view of the fact that the Japanese are in a position to block the road from Urga to Kalgan.

Thus Feng's prospects appear dark indeed unless there is some radical change in the situation. At the moment his forces face the fate of being crushed between the Japanese on the north and Chiang Kai-shek on the south.

The second reason why Canton's plans have gone awry is the lack of unity in the southwest. The Southwest Political Council and the Southwest Executive Committee in Canton include representatives from Kwangtung, Kwangsi and Kweichow provinces. Fukien and Yunnan provinces are also supposed to be within Canton's orbit. But the Canton clique really controls only Kwangtung Province. And while all five provinces are, for all practical purposes, independent of Nanking and opposed in greater or less degree to the regime of Chiang Kai-shek, they are not willing or able to permit themselves to be merged into one unified southwestern state.

Yunnan is so completely under French economic influence that its provincial government could not, even if it wished, give unqualified support to Canton. Kwangsi, Kweichow and Fukien are all, compared to Kwangtung, poor provinces and their various warlords are always casting envious eyes on the wealth of Canton. Kwangtung province is not only one of the largest in China but one of the wealthiest, being second, in fact, to Kiangsu. Its taxation system, originally devised by T. V. Soong, is quite efficient in producing revenue, wherefore the government in Canton can never afford to trust its neighbors very far. Thus the best that can ever be achieved in the southwest is an alliance with only one major animating principle: opposition to the central government. As a common cause for which to do and die this is not enough unless much support can be mustered elsewhere in the country.

Still a third reason why Canton is now somewhat curbed, and may remain that way for a while, is the fact that the Red Armies in Kiangsi and adjoining areas are far from crushed. Unlike in some sections of China, there is a genuine feeling of considerable extent among the Cantonese petty bourgeoisie—the dominant group here—that more attention should be given to resisting Japan than to fighting the Reds, but now that an armistice has been signed with nothing that the South can really do about it, it is widely regarded as unwise to instigate a civil war which would probably result in an extension of the so-called "Soviet Republic of China."

How General Chiang Is Harassed

It is facile, of course, to cite—as Eugene Chen and Hu Han-min do—that Nanking has failed to eliminate the Red Armies in five years of warfare, and that the bulk of the 120,000 rifles in the hands of the Reds are estimated to have been supplied to them by General Chiang Kai-shek in some of his more unsuccessful campaigns. It is nevertheless recognized that regardless of mistakes that have been made, the Red have recently been kept in check, but that they probably would start spreading like a forest fire if Nanking and Canton started fighting each other. Of course, the more vocally belligerent Cantonese profess to believe that Nanking could be vanquished easily and quickly, whereupon a really effective anti-Red regime would be instituted, but the military experts are not so cocky.

However, while marking time and cooperating with Nanking to a certain extent against the Reds, Canton will continue to harry Chiang Kai-shek in every way possible and pursue a course that is not only independent of that of the central government, but often diametrically opposite.

The latest stunt to harass General Chiang has been the cabled protest of the Southwest Political Council to

Washington against a loan of U.S. \$50,000,000 by the United States Reconstruction Finance Corporation to Nanking for purchase of American wheat and cotton. The protest, sent to both the Reconstruction Finance Corporation and Mr. Cordell Hull, U. S. secretary of state, declares that the money obtained will not be used for constructive purposes, nor to resist Japan since a truce has already been signed, but for warfare against all groups in China opposed to General Chiang. Use of the money to crush Marshal Feng is specifically predicted in the protest, and it is stated that "civil war in China is a practical certainty" if Nanking implements the truce against Feng and others who are allegedly planning to continue fighting Japan.

Hu Han-min also issued a statement against this loan, citing Nanking has now floated internal loans of more than one billion dollars Chinese currency which have been largely used for civil war. The *Canton Daily Sun*, an organ of the Canton clique, also sees in the deal a blow to Chinese cotton.

Allowing for the usual amount of politics in all this, some quarters apparently do genuinely fear that sooner or later Nanking will attempt to end the *de facto* independence of Canton. One argument advanced is that Tokyo will demand that Nanking take all action necessary to halt the anti-Japanese boycott in Kwangtung and adjoining areas. On the other hand, there recently have been rumors of an impending deal between Canton and Tokyo, including one story that a Cantonese delegation would soon proceed to Japan. The writer has definitely ascertained that these reports are being circulated by the Japanese officials in Shameen, wherefore they probably have some significance but most likely they should not be taken at their face value.

Anti-Japanese Boycott Continues

Meanwhile, the anti-Japanese boycott is being rigorously and ruthlessly enforced by the National Salvation Association that enjoys the full support of the authorities. The Association is also constantly soliciting funds allegedly for support of the volunteers in Manchuria; the writer, for example, had scarcely set down his suitcases upon his arrival here when a card bearing the name of "DR KING DO IV" was presented. Now no one could resist seeing the possessor of a name like that even though there was no inkling of his mission, wherefore appeared an unexpected manifestation of Cantonese patriotism. And Dr. King Do IV appeared to be doing quite well; his receipt book showed contributions ranging from \$2 to \$40 each from foreigners in Canton within a very short time to the anti-Nippon cause.

Aside from being anti-Nanking and anti-Japanese, there does not appear to be any unified policy on the part of the Canton Government at the present time although an anti-Soviet policy is threatening. There is, however, a division of opinion on this question in the Canton clique. In a previous article, Hu Han-min was quoted in opposition to unconditional resumption of Sino-Soviet relations, and it was also cited how Mr. Hu and Eugene Chen had been in such violently different camps in 1927 on this subject. Mr. Hu made it quite clear that he had not changed his attitude since then, and a short time ago Mr. Chen also told the writer he had not substantially altered his views in the past six years.

"Both Mrs. Sun Yat-sen and myself," he said, "believed in 1927 that, while there had to be eventually a parting of ways between China and the Soviet Union, we should part as friends and not as enemies. We believed it possible and desirable that China should achieve the same sort of understanding and cooperation with the Soviet Union that Turkey has, and by which Turkey has completely thrown off the yoke of foreign imperialism. But, as a result of the Sino-Soviet break staged by Chiang Kai-shek, there can never be any real Sino-Soviet friendship as long as he remains the head of the central government."

Mr. Chen, nevertheless, registered opposition to Moscow's expressed willingness to sell the Chinese Eastern Railway to Japan or Manchukuo. He said that if Japan was really seeking war within the U.S.S.R. this stop would not prevent a conflict, and at the same time it was a violation of the Sino-Soviet agreement on the railway.

No punitive action against the U.S.S.R. was, however, advocated by Mr. Chen. Dr. Kan, on the other hand, told the writer unequivocally that Canton would not permit the establishment of a Soviet Consulate here if Moscow sold the C.E.R. to Japan or Manchukuo.

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So far no move has been made to re-open the Soviet Consulate here, and there had been a rumor that the Cantonese were opposed to renewed amity with Moscow under any conditions. Dr. Kan denied this, although he said he did not know if and when a consulate would be opened in Canton.

"Further," he added, "we will not have any relations with the U.S.S.R. if Moscow sells the C.E.R. to the puppets or their masters."

Canton, June 12, 1933.

"Shanghai Zaria" Moves into New Premises

The *Shanghai Zaria*, a daily newspaper in the Russian language edited by M. Arnoldov, celebrated its removal to larger premises at 774 Avenue Joffre by a reception June 16, at which newspapermen of many different nationalities were present, in addition to prominent members of the American, European and Chinese communities. A formal blessing of the premises by the Rt. Rev. Bishop Victor of Shanghai was one of the features of the occasion.

Another Step to Link China and England by Radio

The foundation tablet of the new transmitter building for the Marconi installation at the International Radio station at Chengju (near Shanghai) by means of which direct radio telegraphy and telephony will be established between China and Great Britain was unveiled with appropriate ceremony June 18.

Chu Chi-hua, Minister of Communications, was in charge of the ceremony. Among those present in addition to the Minister, were Dr. K. L. Yen (Director General of Telegraphs and Telephones), Dr. Y. C. Wen (Director of the Bureau of International Telegraphs), R. Calder Marshall, Vice-Chairman of the British Boxer Indemnity Board of Trustees; G. C. Pelham, Assistant British Commercial Counsellor; J. R. Jones, Secretary S.M.C.; Capt. R. M. J. Martin; and W. J. Richards, of the Marconi Co.

Mr. Chu in an address pointed out how the establishment of direct radio communication between China and England which was soon to be an accomplished fact had been possible by the grant of a loan from the British Boxer Indemnity Funds and how he was sure that the provision of the service would inevitably assist in maintaining the present cordial relations between the two countries.

A Discussion of China's Problems in Education

The seventh annual meeting of the Shanghai Association of Universities and Colleges was held at the Bankers' Club in Shanghai on Sunday evening, June 18. Dr. Tsai Yuan-pei, President of the Academia Sinica, and Dr. Wang Shi-chih, Minister of Education, who had been invited to address the gathering, were prevented by urgent business from attending.

Professor C. S. Li, of Fudan University, spoke on "The Moderation of a Professional Man;" Professor T. T. Lu, of the Great China University, on the "Relation of Personal and Social Economy;" President Herman Liu, of the University of Shanghai, on a national education policy, and President F. C. Yen, of the National College of Medicine, on the need for medical knowledge in the building up of China.

President J. Usang Ly of Chiaotung University, speaking on "Attitude and Method," said:—"We cannot become the right servants to our State, nor the right leaders of the rising generation unless and until we adopt the right attitude of mind and apply the historical method of study. There are three R's as a guide to the adoption of a right attitude of mind—respect, reliance, and revolution. Self-respect enables one to do what is right; respect for others, especially of different opinions, keeps one's mind open to accept what is true. Self-reliance develops one's courage, and reliance on God enables one to do what is good. Self-revolution turns out a new, a better, a greater man. Social revolution, in which we must not only participate, but also learn how to lead and guide, prepares China for a new life."

Pay the American Loan with China Raw Silk and Other National Products!

BY PAUL K. WHANG (汪仲芳)

OSTENSIBLY for the purpose of relieving the distress of Chinese cotton and flour merchants, the Chinese Government, through the efforts of T. V. Song, Minister of Finance, has secured from the American Reconstruction Finance Corporation a loan for G\$50,000,000, the proceeds of which are to be used for the purchase of American cotton and wheat in the open markets. That an American loan should be contracted by Minister Soong during his conversations with the Washington statesmen was rumored even prior to his departure for the United States and therefore was to be expected; but that it should involve such a huge amount constitutes not a little surprise to us. As a matter of fact, the loan has been so unexpectedly large that many of the Chinese people have become sceptical as to whether its proceeds will be wholly devoted to relief purpose.

That the American press has been unanimous in commenting favorably on this new loan is self-explanatory, because by a stroke of the pen, the American Government has been able to dispose of a part of the unsold wheat and cotton in the foreign market—a problem which has cost the Washington statesmen many sleepless nights. While having no mind to be ungrateful to this American friendly assistance, we wonder very much if the loan will benefit the Chinese people as much as promised by its supporters. It is true that this huge loan will give some material assistance to the Chinese cotton and flour merchants, who are now faced with a shortage of raw material to keep their establishments in continuous operation, but on the other hand, it is no less true that the importation of such a huge quantity of cotton and wheat will invariably depress the local cotton and wheat markets, thereby affecting the welfare of Chinese rural population. Before we have fully weighed its advantages and disadvantages, we must guard ourselves not to be too enthusiastic over the beneficial consequences of this new loan.

The Paradox of Food Importation

It is paradoxical indeed that an agricultural country such as China can no longer subsist on its own agricultural products. For the past few years, we have to resort to foreign rice to make up our shortage and to feed the mouths of our starving population. We have contracted the habit of importing foreign cotton and wheat, because the quality of native products are either inferior in quality or insufficient to serve our own needs. We have also purchased artificial silk from foreign countries, although our country is known to the world as a country of silk. It now transpires that we not only have to purchase foreign manufactured products, but also have to import foreign raw materials and agricultural products. Our balance of trade has already been in such an unfavorable state, that gold and silver have to be shipped to meet the foreign payments. If this state of affairs continues on indefinitely, China will soon lose its status as a sovereign nation.

This American loan would prove more acceptable to the Chinese, if part of it can be paid back in kind instead of specie. It must be said that in the present business depression, cotton and flour merchants are not the only victims who are crying for help, and that silkmen and tea merchants have suffered equally much if not more. Therefore if the American Government is really sincere in giving assistance to the Chinese, and if the Chinese officials are anxious to uphold China's various infant industries, an arrangement can be easily made by which part of the American loan can be repaid with raw silk, tea, and other Chinese products habitually demanded by the American consumers.

Take silk for instance. In the production of that article, China once enjoyed a monopoly. But in recent years, because of the Japanese competition, China's silk production has been very much curtailed. But in spite of the curtailed production, China has still been faced with a problem of marketing her unsold silk stocks just as the United States with unsold cotton and wheat. The United States, being the largest silk-consuming country in the world, has annually imported a great quantity of silk from foreign countries. Therefore in the present G\$50,000,000 loan, while we have agreed to utilize part

of the American unsold cotton and wheat, we have reason to expect that the United States should in turn absorb part of our unsold silk and other native products. In this way, both countries will be very much benefitted by supplying the other with what each wants.

It is estimated that the United States needs about 600,000 piculs of raw silk annually. In spite of business depression, she last year still imported 553,888 piculs of raw silk, of which about four-fifths were of Japanese origin. China's exportation of raw silk was a little over 100,000 piculs in 1928 and 1929, but has fallen off to less than 50,000 piculs since 1930. Therefore the American manufacturers can easily absorb China silk, the total exportation of which in the best years only amounts to about one-sixth of the total American annual consumption.

In securing raw silk to pay back the American loan, the Chinese Government can either purchase the silk in the open market or offer a price higher than the market price as a measure to encourage the growth of China's silk industry. One may doubt the practicability of this arrangement, because of the erroneous conception that the quality of China silk can not fulfill the American requirements. To meet this objection, the Chinese Government in cooperation with the present Raw Silk Department can test and check the quality of each bale of silk destined for American exportation and export only those bales the quality of which complies with the American specifications.

A Great Help for Silk

If this arrangement can be effected, it will not only relieve the present distress of Chinese silkmen, but it will go a long way to promote the growth of China's silk industry. With the assurance that the government will pay a good price for silk of a fine quality, Chinese silkmen will invariably apply themselves to the task of improving the quality of their products so as to fulfill the requirements of American buyers. Moreover, this assurance will lead to the reopening of all silk filatures in Central China as well as in other silk-producing centers. The revival of silk trade will not only save China's silk industry, but will also give a livelihood to the unemployed female workers and improve the well-being of rural population.

The American silk manufacturers who for decades have been very much interested in the growth of China's silk industry should support this arrangement with enthusiasm. Since the beginning of this century, the American silk manufacturers have on many occasions either donated substantial funds or lent the service of sericultural experts to educate the Chinese people in modern and scientific methods of producing better quality of cocoons and silk. The Shanghai International Testing House, a Sino-American concern, during its existence contributed much to the distribution of disease-free eggs and the introduction of new methods of testing raw silk. In spite of the American promotion and assistance, we have not made as much progress as it should be, partly because of the fact that while the American silk manufacturers have been very enthusiastic over the improvement of the quality of China silk, they have continuously sought their supply from the Japanese source, and persistently condemned China silk as unsuitable to the American requirements.

Silkmen Need Encouragement

While the Chinese silkmen, because of their ultra conservatism and the indifference on the part of the government, have not improved the quality of their products as much as expected by the American silk manufacturers, it, nevertheless, must be admitted that a few of the far-sighted silkmen have painstakingly and indefatigably done all they can in upholding the fame of China silk under the present adverse conditions. If an outlet is assured for Chinese silk, Chinese silkmen will strive more courageously in bettering the quality of their products so as to meet the American requirements and develop the future American market.

What is true of raw silk is also true of tea and other products which formerly featured in China's

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exportation to America. The fall in the tea exportation has been especially drastic because of the Japanese competition. American commercial interests will not be very much affected, if all the Chinese products intended to be applied to the loan are first tested in conformity to the American requirements.

This huge cotton and wheat loan will not have any beneficial consequences upon the Chinese people, if only a few of the cotton and flour merchants are assisted, while the Chinese cotton and wheat producers will be depressed by the presence of foreign products and the distress of other industries is not relieved. It is of dubious wisdom that the Chinese Government should contract such a huge loan for the sole purpose of relieving a few Chinese cotton and flour merchants. Under this circumstance, we can not help concluding that the government intends to use the proceeds of the loan for other than the announced purpose.

Shanghai, June 19, 1933.

Progress of Education in Honan

(From The Review's Correspondent)

Kaifeng, June 10.—The Nanking Educational Ministry has sent Tai Hsien and Chow Pang-tao to inspect educational facilities, social education, and educational administration in Honan province. According to Messrs. Tai and Chow, social education in the province has shown a good record. All Honan students seem to devote themselves assiduously to their studies. They point out that some of the school buildings need repairing. They recommend that school principals should teach at certain hours each week so as to make better contact with the students. June 6 was celebrated in Kaifeng as Teachers' Day or Double Six Festival, when a mass meeting was held. Teachers from various schools here were in attendance. Li Pu-ching, professor of Honan University, presided at the meeting. Dr. Tai Shwang-chiu, one of the promoters of the festival, gave a lengthy speech, in the course of which he pointed out that this Teachers' Day is: To arouse attention of the people of various circles to the value of

education and to urge all teachers to understand their responsibilities. Continuing, Dr. Tai said that from now on, all teachers should encourage one another to promote the common people's living, and carry out social thrift ideas.

Miss Sung Hsing-yuan, known as the Kaifeng Queen, as the representative of the teachers of the primary schools, in a speech said that the teachers' work was very heavy, but their remuneration was very low, and that the object of Teachers' Day was to demand an improvement in the treatment of teachers, to secure protection for the position of teachers, and to increase their remuneration.

With a view to improving the treatment accorded to teachers, the Teachers' Association in Kaifeng recently handed the following four demands to the Educational Ministry of the province:

(1) The term for a test engagement of a new teacher should be half a year; the period for the first time continuation engagement, two years; and for the third time continuation engagement, three years.

(2) Those who have served in a school more than three years should be given a 25% increase in salary.

(3) Those who have served in a school for a period of five years should be given two months' leave with travelling expenses to enable them to inspect educational conditions in the country.

(4) The Educational Ministry of the province is requested to put into force the pension and other regulations concerning improved treatment of the teachers, proclaimed by the Central Government.

The Students' Union of the government schools in the province is said to have petitioned the educational authorities to abolish tuition fees, on the ground that the Honan province has been famine-stricken for the last several years.

Chang Chung-lu, chief dean of the Central University, Nanking, has been appointed president of Honan University, Kaifeng. Mr. Chang assumed office on June 9. He is a Honanese, and well-known in educational circles throughout the whole country.

"Manchukuo Irregulars" in the Luantung Region

BY A CONTRIBUTOR

THE last day of May, the month of national humiliations, witnessed the signature of the North China armistice. On the merits or rather demerits of the agreement too much has already been presented on the public forum to need a further exposition. Hence this article will confine its discussion to the single issue as to whether the armistice will achieve the purpose for which it was signed.

Without inquiring if any political or diplomatic understanding exists outside the express terms of the agreement, let us accept the government's explanation as made in good faith. Let us admit with the government that the continuation of the North China fighting would mean a prolongation of undue bloodshed, misery and destitution and that an immediate relief of the occupied areas should be sought at almost any price. Let us agree, therefore, that Nanking was justified in its decision on this humanitarian, if on no other, ground. Still the question presents itself, How far has the aim of the government been attained?

Just as the test of the pie is in the eating, the test of the armistice lies in the successful materialization of its alleged purpose. Up to the time of writing, however, all reports to hand point to the usual procrastination of the Japanese in implementing the agreement. So that by the time it is completely carried out, much of the good expected from it will be lost.

It may indeed be argued that the government cannot be responsible for the ultimate success of a measure which it adopted after careful consideration and out of sound intention. This argument would be convincing enough if the outcome of the measure can in no way be anticipated and controlled. Such was not the case in hand: the armistice should, and could, but failed objectively to take care of China's sole and unpretentious objective—the prompt rehabilitation of the Luan valley. It must be more explicit in its terms and reciprocal in its nature to be insured against the defeat of this modest aim. Unfortunately the Chinese negotiators had committed an unpardonable blunder by taking too much for granted and leaving the most important problem, so far as China is concerned, to the discretion of the Japanese.

The two main questions which revolved around the armistice consist of the taking over of the occupied areas, and the disposition of the "Manchukuo irregulars." They are in fact one and the same question, because the first is premised on the second. For nothing can be done towards reinstating China's authority until these undesirable and buccaneering elements are cleared off the way.

Plunder and Outrage

That this small body of riffraffs should form such a serious obstacle seems incredible, but it is nevertheless the one hard fact with which both parties to the Tangku agreement must reckon in a spirit of mutual accommodation. Here a band of "irregulars," variously estimated at from 3000 to 8000 men, under the leadership of Li Chi-chun, alias 'Ting Chiang,' who came in the wake of the Japanese intrusion and overran a number of districts around Lutai. They plunder town after town. They commit endless outrages against the inhabitants there. They spread terror everywhere they go. Yet their suppression cannot be attempted by the Chinese army without the latter running the risk of violating the terms of the armistice, such being its unilateral and delicate nature! The Japanese negotiators could not fail to foresee the impasse and, if they possessed good will at all, should devise means for a way out. Instead of this, they contented themselves with the argument that they cannot be held responsible for the activities of their renegades.

In answer to this contention we can do no better, perhaps, than quote from the editorial which appeared in the June 6 issue of the *Peking and Tientsin Times*:

"—Until the Chinese have assumed responsibility for the administration of the occupied areas, that responsibility belongs to the Japanese.—The armistice was signed with the Japanese, not with Manchukuo. There was no third party in the armistice negotiations. The irregulars under Li Chi-chun have no legal status if they belong to neither camp. Why, then, are they tolerated?—The argument that the Japanese have no responsibility for the Li Chi-chun forces is untenable. Even if none of these men had entered the territory with the Japanese from Manchuria, but had consisted wholly of deserters from

the Chinese forces inside the Wall, their presence along the railway in the occupied zone would still make the responsibility of the Japanese Authorities plain and direct.—"

If sincerity means anything to the Japanese, the least they should do is to disband the "irregulars" and send them to the place whence they came. There is no other alternative which is just and reasonable. China cannot, without doing herself infinite harm, take these ill-disciplined elements into the ranks of her national army; still less can she incorporate them into the special Pacantiu to be stationed in the restored areas. If Japan is insistent on rewarding her hirelings, she is free to do so out of her own pocket. But she must not impose on China the further burden of maintaining an armed gang in the territories which need so much relief and pacification after untold devastation and destruction.

So far, however, all signs indicate that the Japanese authorities are in no hurry to carry out their part of the agreement. The reason for this is not far to seek. Primarily they regarded the truce as a favor granted to the Chinese request,—an attitude which was borne out by the official statement issued by the Kwantung Army Headquarters after the conclusion of the armistice. They may be exact in enjoying their rights under the agreement as shown by their almost daily aerial visitations of the Peiping-Tientsin area; but as to the fulfilment of their obligations they prefer to wait. There is always one excuse or another in delaying the withdrawal of their troops, as the experience of the Shanghai armistice of last year told us.

If the fulfilment of express stipulations is met with such difficulty, what chance is there that a verbal arrangement concerning the disposition of the "irregulars" will be carried out? Yet on the satisfactory disposal of these pests depends the ultimate achievement of the armistice. It is here that good-will needs most to be translated into action and not simply hang on the lips. A prompt disarming and disbandment of the "irregulars" will be more convincing evidence of Japan's sympathy than any "message of condolences" which her airplanes, out of sheer mockery, can bring.

Two weeks have elapsed after the dramatic scene at Tangku. But the Japanese are not over-anxious. The withdrawal of their troops is proceeding at a snail's pace. Nay, they make no secret of their intention to retain, even after complete withdrawal, a part of their military influence along the Luan Valley in the continued presence and activities of Li Chi-chun's men. That is why they have dodged a solution for these undesirables, despite their repeated assurances to make matters easy for the Chinese. If that is the case, the inhabitants of the turmoil-stricken districts are doomed. For not only will the refugees have no courage to return home, but those who have stayed will find their livelihood extremely difficult, if not impossible, and life intolerable under the lawless regime of the "irregulars." What relief can be afforded out of such circumstances? Did not the government then, in accepting the armistice in such terms, defeat the very purpose which, it declared, prompted it to accept the agreement?

Chinese Government Purchasing Commission Makes Report

The report of the Chinese Government Purchasing Commission in London for 1932, shows that during the year the Commission expended £550,000, making a total of £750,000, while a sum of £3,700,000 is still in hand for the acquisition of British manufactures. The report of the Commission is now en route to China with a covering note from the Chinese Minister, Quo Tai-chi, its chairman.

The report gives an account of the transactions of the Commission in accordance with the notes exchanged between China and Great Britain in September, 1930, regarding the disposal of the British share of the Boxer indemnity.

China to Invoke a Dumping Tax

Preparations for the imposition of the dumping-tax on foreign goods have been completed by the National Government and will soon be enforced by the Maritime Customs. The *China Times* says the tax will be limited only to goods which are to be sold at a lower price than Chinese goods. Thus, if an imported article is to be sold at \$6.00 on the Chinese market while the selling price of a similar article made in China is \$10.00 then the dumping tax on the former will be \$4.00, making up the difference.

Birthday Celebration in Sungkiang of Rev. W. B. Burke

The We Li Bible School Building in the city of Sungkiang was in gala attire, on June 12, 1933, when birthday greeting were accorded the Rev. W. B. Burke of the Southern Methodist Mission in China on the occasion of his seventieth birthday. The formal celebration took place in the Kong Ting—the old church building now used for a hall for public services. The flag of China and the flag of the United States were draped together at the back of the platform. More than four hundred people attended, among them being officials, the gentry, merchants,—scholars, ministers of the Gospel, school principals, students, simple common people, servants—every grade of society. One of Sungkiang's honored scholars, Daung Tsz Kau, for many years Mr. Burke's close personal friend, presided over the meeting. He was the promoter of the Memorial Pavilion which, several years ago, the city of Sungkiang erected in honor of Mr. Burke. Speeches were made by The Rev. Dr. J. W. Cline, Rev. Sid. Anderson, Rev. Yui Tsz Tsa, Huang Yen Pei, Doo Tsz Yung, Tsang Zang Tsz, Tsang Tsz Ngau, Zah Yih Foo, and Sung Vung Yoen, all of whom paid high tribute to Mr. Burke.

Among the speakers were three, who represented a group of four men, who thirty years ago in the troublous times of the last years of the Empress Dowager, had been arrested as revolutionists and were held in prison in an adjoining city awaiting the order of the Empress for execution. Word reached Mr. Burke of these arrests, and knowing that the men were wrongfully accused, he went in person to see the magistrate and with difficulty secured their release, by becoming their guarantor. Within a few hours after his leaving with the men, the order came from Peking for immediate execution. The magistrate who had reluctantly released them lost his official position, but four honorable men had been saved and have lived to serve society and their country in useful citizenship.

Among the personal gifts, which consisted of scrolls and framed texts was one of an unusual character—from the prisoners in the jail at Sungkiang—a tribute to Mr. Burke's work.

Mr. Burke this year fills out 46 years of ministry in China.

America and Japan Start Naval Race

The United States will begin immediately a naval building program which will continue for three years and which will give the Navy 32 new effective vessels. Announcement of the decision was made by the Secretary of Navy Swanson in Washington, June 15. Construction of several of the boats will begin in a month in the Navy yards, and others will be built in private yards. Included in the list of vessels are two new gunboats for Chinese waters. The construction will be carried out under the Administration's public works program for which Congress has appropriated the funds and provided taxes for getting them. The cost of the vessels to be constructed will total \$238,000,000. It is understood that the first vessels to be constructed will be four cruisers of 10,000 tons and carrying six-inch guns as provided in the London treaty.

Twenty destroyers will be constructed for general service as well as two aircraft-carriers of 20,000 tons each. Four submarines and two destroyers for the Orient will complete the program under the public works provision.

Japan Also Speeds Up Building Program

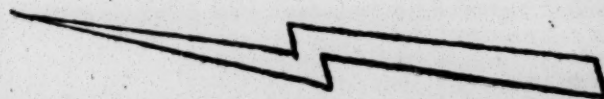
There was an immediate reaction in Japan as a result of the American announcement.

A Rengo message from Tokyo June 16 stated that the United States program had caused the naval quarters in Tokyo to draw up hurriedly the second naval replenishment program as provided for in the London Naval Treaty. In view of the fact that the London Five Power Treaty expires in 1935, the naval quarters in Tokyo regard it as urgently necessary for Japan to start the second replenishment program from the next fiscal year at the latest in order to complete it by the time of the expiry of the Five Power Pact. Taking this factor into consideration, the Ministry of Navy is expected to demand at least 410,000,000 yen, practically the same sum as in the current budget, for next year's budget estimates.

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The Tangku Armistice---A Great National Humiliation

BY WEN JIH-CHING

IN the past twenty months the relations between China and Japan were so strained that there was no way out for either of them. Many a good suggestion had been put forth, but none of them was agreeable to both parties. The committee of the League of Nations had done its best to mediate. But as a result, Japan decided to quit the League in the early part of this year. Within the past twenty months the Japanese, using their military power and political intrigues, seized the whole of the Three Eastern Provinces and in the early part of this year again seized Shanhaikuan, the gateway that leads to China proper. Later on they marched into Jehol. Through the non-resistance of the governor of Jehol, Tang Yu-ling, the whole province of Jehol fell into the hands of the Japanese within two weeks time between February and March of this year. Following this, they pressed on till they came to the mountainous passes of the Great Wall, where they met stiff resistance. After a few weeks' actual fighting the Chinese troops again were forced back and gradually in the early part of May they fell back to the outskirts of the old capital city of Peiping and the seacoast of Tientsin. Although they had to fall back, it was entirely because of their poor military equipment, as compared with the up-to-date Japanese war machines—not because of lack of fighting spirit. When both Peiping and Tientsin were in imminent danger of falling into the hands of the Japanese, the news of truce negotiations suddenly came up and immediately it was denied by government officials as rumor. But this rumor gradually became a fact. Peiping authorities exercised great vigor in preventing all the newspapers from publishing the news of the truce negotiations. In the first few days when the Chinese soldiers were falling back, the Japanese airplanes flew over the old city of Peking; the Chinese soldiers shot at them with their anti-aircraft guns. But during the lull, or rather when the negotiations were going on secretly, orders were given not to shoot at the Japanese planes and this gave more assurance that a truce was actually going on. At this time the government spokesmen could not deny any more. A few days later, Wang Ching-wei, President of the Executive Yuan, confirmed it by saying that the truce negotiation were going on only as regards military affairs and that no political questions would be touched. Again a few days later, on the 31st, in the month of May, the armistice was actually signed at Tangku. According to the newspaper reports there had been only two meetings and then the agreements were signed. Many people wondered at the speed shown by both sides and it was beyond their expectations that the truce negotiations would be signed in so brief a time. But, in fact, the truce negotiations must have been going on while the troops were falling back towards the environs of Peiping and Tientsin. On the 23rd, a week before the signing of the truce agreements, an evening paper at Peiping already published the news of the truce negotiations and even published the terms of the truce agreements. On the 24th that paper was closed by order of the Peiping authorities and at the same time orders were issued to all the newspapers not to publish any news about the truce negotiations. Later, on June 1, when the terms of the truce were published in all the papers, they were just the same as those which were published by that Peiping evening paper. This shows that the truce negotiations had been carried on for quite a considerable period before they actually came up to be signed at Tangku, except that they were going on in strict secrecy.

Denials That Proved to Be Untrue

Before the meetings at Tangku, it was emphatically denied by the National Government that there were any truce negotiation being conducted between the Chinese and the Japanese. Just prior to the meetings, rumor of a plan of demilitarization was prevalent and the government officials again as usual denied it. However, at the time, President Wang Ching-wei explained that a truce might be arranged with the Japanese army if it would not humiliate China nor endanger her position in the family of nations. When the meetings were in session at Tangku, President Wang Ching-wei again said that the meeting would only deal with the military withdrawals and no political problems would even be touched, on in the meetings. The agreement was signed at 11.11 a.m. on May 31 and it was somewhat like this, according to the *North China Daily News*:

1. The Chinese troops will completely withdraw to the west and south of a line connecting Yenching, Changping, Kaolimen, Shunyi, Tungchow, Hsiangho, Paoti, Lintingchen, Ningho and Lutai. They undertake not to advance beyond this line and will abstain from all provocative and disturbing acts in future.

2. In order to confirm to the execution of the provisions in article one of this agreement, the Japanese troops may at any time observe the area by airplanes or other methods, to which the Chinese official quarters will furnish the various necessary facilities and give proper protection.

3. When the Japanese troops have confirmed the fulfilment by the Chinese of the provisions of article one the Japanese troops will refrain from pursuing the Chinese troops beyond the line demarcated and will voluntarily withdraw as far north as the Great Wall.

4. The maintenance of peace and order in the area south of the Great Wall and north and east of the line beyond which the Chinese will not advance will be undertaken by the Chinese police force.

5. The present agreement will come into force immediately after signature.

When the armistice agreement was signed, the Japanese were fully satisfied. They were happy over the event, because within twenty months' time, they were able to seize four provinces from China and finally forced China to agree to this state of affairs.

Less than a year ago, President Wang Ching-wei in a telegram to Marshal Chang Hsueh-liang accused him of non-resistance. As a result of that telegram, President Wang left China and stayed in Germany for a few months to recuperate his health. Since the fateful night of September 18, 1931, everybody knows that Marshal Chang was a faithful disciple of the non-resistance principle. However, after the fall of Jehol, he put the blame on himself and retired. But he did not sign or intimate to his followers that they should sign any armistice such as the Tangku agreement. Now President Wang allowed this armistice to be signed.

The Demilitarized Zone

The signing of this armistice agreement is contradictory to the oft-repeated announcements of the National Government. President Wang Ching-wei and many other government officials often announced that China would adopt a long-term resistance policy. When Minister T. V. Soong made his famous trip to Jehol early this year, he issued a manifesto saying that China would resist the Japanese invasion to the end. Even if Nanking might be taken by the Japanese forces, China would not end her resistance because of it. Minister Lo Wen-kan emphasized once and again both in Peiping and in Nanking that no one in China would be willing to be the second Li Hung-chang to sign any humiliating agreements with Japan. But now the armistice agreement has actually been signed at Tangku. What does it constitute? Does it constitute long term resistance as often pronounced by President Wang Ching-wei and others? When Sun Fo came to Shanghai recently, he explained the events that led to the signing of the armistice. He spoke frankly and spoke to the point. He said that the government, seeing that further resistance would be futile, had conceded to open armistice negotiations with four principles in mind: 1. That the armistice agreement should be verbal only; 2. That there should be no demilitarized zone; 3. That political questions should not be discussed; 4. That only military officers should participate in the negotiations. However, the Japanese turned down the first two principles. Because of the constant agitation to set up another independent state in the north by many former warlords, the National Government conceded to open negotiations on the third and fourth principles only, which meant a written agreement and a demilitarized zone. From this explanation, one can see that the truce negotiations had been talked of for quite a long time and that the government, seeing that further resistance would be futile, was willing to negotiate with the Japanese with a view to stopping the oft-pronounced long-term resistance.

Before the armistice agreement was signed, the government officials denied more than once that there would be demilitarization. But now China can not station her troops beyond the old city of Peking. The thousands of square miles between the outskirts of Peking and the Great Wall

are demilitarized. Although soldiery has long been a curse to China, especially since the formation of the Republic, yet this forced demilitarization is such a disgrace that no one knows in how long a time it can be wiped out. Many people would be willing to let the Japanese occupy Peiping and Tientsin after putting up stiff resistance, but they would not favor signing such an armistice agreement. The agreement does not only provide for submission to the Japanese but it also gives China no chance to recover what she has lost. China's hope of recovering her lost territory has really sunk to the bottom of the sea. At the outset it seems fairly certain that the creation of such a demilitarized zone would prevent further hostile actions on the part of both the Chinese and the Japanese. But such demilitarized zone would always limit China to station her soldiers at this demarcated line. In article one of the agreement, the Japanese had cleverly put it down: "abstain from all provocative and disturbing acts in future." Henceforth, any movements of soldiers in this demilitarized zone would constitute a breach of agreement and subsequently it would not be Japan's wrong if she would take any action that she might think fit. With such a demilitarized zone between China and the puppet government of Manchukuo, how can China and her sons recover the lost territory which she had lately pronounced so emphatically she would attempt to do!

Japan has only limited China to a certain demilitarized zone but she has not imposed upon China the limitation of arms as the European Powers did to Germany. So only until she would be sure to win over Japan with military power, her hope of free action in that demilitarized zone is very slim.

It is quite true that only military men participated in the negotiations and from the outset the agreements did not seem to involve any political questions. But actually the agreement has a very great political significance. The Chinese delegates in the name of the National Government signed off that big territory of the Three Eastern Provinces and Jehol, practically one-third of the whole of China, to Japan. When the Shanghai armistice was signed, people were not satisfied with the agreement, even though the demilitarization was verbal only. But now, if we make a comparison of the Shanghai armistice and the Tangku armistice, we shall see that in both cases there were defeats and in both cases there was demilitarization. In the Shanghai armistice the demilitarization was verbal; in the Tangku armistice the demilitarization was a written agreement. Following the Shanghai armistice there was still hope to recover the lost territory. But following the Tangku armistice, even this hope has vanished. Therefore, is the Tangku armistice only a matter of military truce, which has actually no political bearings? If the government should feel that resistance to Japanese invasion were futile, they ought not to have put up any resistance at all, but they ought to have entered into direct negotiations with the Japanese when they brought out the Five Points for negotiations in the League meetings. With such a demilitarized zone set up, the oft-repeated long-term resistance is ended and China's hope of recovering the lost territory has vanished, and as a result the puppet Manchukuo will probably soon be recognized by other countries.

China has been brought to the knees of Japan and has been limited to this and that and even to provide facilities to the Japanese planes when flying over the Chinese troops. Japan is free to act in whatever way she likes best and of course this is always true with those countries who win a war. The Chinese actually withdrew right after the signing of the armistice agreement, and the Japanese were still there and no one knows when they would withdraw to the Great Wall. If this armistice agreement does not constitute humiliation as President Wang interpreted it, then what does constitute humiliation?

Japanese Army Powder Magazine Explodes

The barracks of the 7th Flying Regiment of the Japanese Army at Hamamatsu were completely destroyed June 8 following terrific explosions of the powder magazines. According to a War Office official bulletin, three men were seriously injured, one was missing and fourteen men, including an officer, were slightly injured. Eight houses storing high explosives, and a temporary shed for the ammunition arriving from the Okayama Army Arsenal were completely demolished. Two heavy bombers and four light ones of an old type and some of the regimental barracks were partially destroyed in the explosion. The cause of the disaster is stated to be spontaneous combustion, says *Reuter*. Volunteers are removing bombs from the scene of the explosion.

The damage is unofficially estimated at Y.5,000,000.

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Peiping Political Affairs Committee Formally Inaugurated

The Peiping Political Affairs Readjustment Committee under the Executive Yuan was formally inaugurated at the old Waichiaopu building in Peiping June 17. General Huang Fu, Chairman of the Committee, presided and thirteen members were present, including Generals Han Fu-chu, Yu Hsueh-chung, Sung Cheh-yuan, Fu Tso-i, Wang Shu-han, and Drs. Chiang Mon-lin and Chang Po-ling.

General Ho Ying-chin, Chairman of the Peiping Branch of the Military Affairs Commission, was present as a guest. The ceremony was very brief and informal.

In the course of his inaugural address, General Huang Fu recalled that he had been living in retirement for the past six years and had no intention of participating again in affairs of State. The growing gravity of the national crisis had, however, prompted him to come to the North, it being his hope to render some service for the people and the country.

After recalling the dangerous situation which prevailed in Peiping and Tientsin at the time of his arrival in the capital General Huang said that the most pressing tasks at present were, in his opinion, to allay the anxiety of the public, to preserve the national territory, and then to strive for the restoration of normal conditions in the "war zone" and the provision of food and shelter for the refugees. It was only after these tasks are accomplished that a readjustment of the political affairs of the various provinces and municipalities in the North could be successfully carried out, General Huang said.

Wang Ching-wei sent a telegram to General Huang and other members of the Committee congratulating them upon the assumption of office. Declaring that the inauguration of the new Committee promises a bright future for the political administration of north China, President Wang paid a warm tribute to its various members for their spirit of sacrifice and sincere union in assuming such heavy responsibilities at this critical juncture.

A circular telegram to the various Provincial and Municipal Governments throughout the country has been issued by President Wang Ching-wei, calling upon them to contribute towards the relief of the people in the "war zone" in northern Hopei.

No Solution as Regards Manchukuo "Irregulars"

A Tientsin telegram in the *Shen Pao* June 13 stated that no solution has yet been found regarding the disposal of the Manchukuo irregulars under Li Chi-chun, which are now active in districts east of the Luan River. As the Chinese troops are bound by the armistice agreement not to proceed beyond the demilitarized line and as the Manchukuo irregulars refuse to evacuate the demilitarized zone, the Chinese authorities are unable to solve the problem. In this connection General Hsiung Ping, Chief Chinese delegate to the Truce Conference has requested General Okamura, at Changchun, to come to Tientsin for a conference for the settlement of this question.

A Peiping telegram June 20 states that although the Japanese authorities have agreed not to interfere with the disposal of the "Manchukuo" troops in the Luan River region, no rehabilitation measures can be instituted until the Japanese soldiers have completely evacuated that area. The Japanese excuse is that Lieut.-Colonel Nagatsu, Military Attache to the Japanese Legation, is still awaiting instructions from General Muto, Commander of the Kwantung Garrison Headquarters, relative to the concrete measures for the disposal of the "Manchukuo" units which have been suggested by the Chinese authorities.

Meanwhile, the "Manchukuo" troops under Li Chi-chun in the Luan River region are becoming more provocative. They have seized the civil administration of the districts in that area and are appointing district magistrates and public safety commissioners.

Marshal Muto is stated to be supporting Li Chi-chun's irregulars and this together with General Nakamura's support of Shih Yu-shan's cohorts has become an issue complicating the solution of disposing of the Manchukuo irregulars inside the Great Wall. Eight districts are being preyed on by irregulars, whose movements under Japanese direction are still very active. Colonel Nagatsu, while in Peiping to negotiate with Chinese representatives agreed to the enlistment of ten thousand irregulars, but refused their transfer elsewhere. The Chinese allowed only five thousand, believing that the irregulars did not exceed this number. Official circles in Peiping believe that an immediate solution is impos-

sible and that Japan will resume her aggressions if the outcome of international affairs is unfavorable to Japan.

The Blue-Gown Movement in North China

A Japanese telegram from Hankow, June 16, alleged that the Blue-Gown movement, fostered by General Chiang Kai-shek, is to be gradually extended to North China. One Ho Chung-han is stated to have made his way from Nanking to Nanchang on June 15, at the order of General Chiang Kai-shek. It was alleged that Ho had been commissioned to take up the task of establishing a branch headquarters of the Blue-Gown Society at Shihchiachuang, simultaneously with the transfer of the establishment for political training belonging to the Nanking Military Council. The object of said establishment of branch headquarters at Shihchiachuang was alleged by the Japanese to be to foster fascism among the troops in North China as well as to keep a close watch over the Political Readjustment Commission in Peiping.

Japanese Admit Chinese Troops Are Observing Truce Agreement

A spokesman of the Japanese Foreign Office stated in Tokyo June 14 that generally speaking the Chinese troops were faithfully observing the truce agreement between China and Japan which was recently concluded near Tientsin.

It is true, he said, that about 20 divisions of Chinese troops are stationed near Peiping but this is due to the necessity of watching General Feng Yu-hsiang in Chahar, and also to the shortage of transportation facilities. General Ho Ying-chin, he added, has ordered them to make further withdrawals southward.

Japanese Demand Control of Part of Mukden Railway

A recent telegram in the *Central China Daily News* stated that the Headquarters of the Japanese Kwantung Army has issued a statement declaring that the Tongshan-Shanhaikwan section of the Peiping-Mukden Railway should be temporarily placed under the control of the Kwantung Army. The Japanese troops have already taken over the stations in the said section. General Hsiung Ping, the Chief Chinese Delegate, has left for Tientsin to take up the question with the Japanese military authorities.

Japanese soldiers held target practice outside the Chihuamen (Gate), Peiping, for three hours early in the morning of June 14. Two Japanese airplanes visited the city at nine o'clock the same morning. One Japanese plane also circled over Tientsin.

Yangtsze River Rises Rapidly---Dikes Break at Hankow

Due to the incessant rainfall recently, the waters of the Yangtsze have been rising rapidly during the past week. Wide areas in the Tungting Lake district in Northern Hunan are flooded, and extensive inundations are reported from Chekiang. Tunglu, a town on the Chientang River, is stated to be under five feet of water.

An official report received from its Engineering Bureau at Hankow by the National Economic Council gave the level of the Yangtsze as 43 feet 1 inch at 8 o'clock a. m. June 19. The watermark registered 42 feet 4 inches at noon the previous day, but this was increased by 9 inches owing to continued rainfall. The river was about seven feet higher than that recorded on the same date a year ago and more than four feet higher than on June 19, 1931, the year of the floods.

Much concern was expressed by the authorities at Hankow, who fear that disaster may follow, should the water continue rising at the present rate. A dike at Hankow gave way on the night of June 20, but no serious damage was done. At Wuchang a dike broke, flooded the fields, and drowned eight persons. The water was expected to flood Nanking and Hankow at any moment. In the meantime, the Engineering Bureau, acting on instructions from the Headquarters of the Honan-Hupen-Anhwei Bandit-Suppression forces, is energetically co-operating with other official organs to prevent an overflow.

The recordings at Hankow were as follows on the dates mentioned:

June 17, noon,	41 feet 8 inches;
June 18, noon,	42 feet 4 inches;
June 19, 8 a.m.,	43 feet 1 inch.
June 20, 9 a.m.,	44 feet 2 inches.
June 21, 9 a.m.,	45 feet 1 inch. (About a foot below the Bund level).

Flood Prevention Committee Organized

In view of the continued rise of the Yangtsze River, General Chiang Kai-shek, June 15 ordered the creation of a Yangtsze Flood Prevention Committee. This organ is being organized jointly by the National Economic Council, the Yangtsze River Conservancy Commission, and the Provincial Governments of Hunan, Hupeh, Kiangsi, Anhwei and Kiangsu. The Conservancy Commission is undertaking organization of the new Committee while the five Provincial Governments and the Economic Council will be responsible for its finances. The entire technical resources of the seven organs are being placed at the disposal of this new Committee to deal with the urgent task of flood prevention.

Hsi Te-chiung, Director of the Engineering Department of the National Economic Council, has arrived at Hankow in order to devise flood prevention measures with the Yangtsze Engineering Bureau at Hankow and the Hankow Municipal Authorities.

A responsible official of the National Economic Council stated at Shanghai June 15 that the present rise of the Yangtsze in Hupeh cannot be taken necessarily as an indication of the coming of another great flood. In 1931, the Yangtsze, he said, rose to a record height of 53 and a half feet at Hankow.

John Earl Baker Says Local Flood Control Is Ineffective

John Earl Baker, member of the liquidating committee and former chief of the missionary division, China International Flood Famine Relief Committee, is quoted by the *Shanghai Evening Post* as saying that the present system of independent control by the provinces is utterly worthless. "Adequate protection from floods is not a local affair," declared Mr. Baker who added, "Flood control work should be undertaken by a national body, organized by the Government, with a competent staff headed by highgrade engineers. The work could be completed and the project maintained with the expenditure of no more funds than is now being spent. 'The dikes are now being constructed with funds raised by provincial taxation. When the water is low and there is no immediate danger of floods, some provincial authorities lose interest in flood control and spend the money for other purposes. When the flood season comes, they are caught unprepared. Officials of Hupeh last year led an attempt to organize the Yangtze basin provinces in a united campaign against the flood menace and Hunan fell promptly into line. But other provinces were apathetic and nothing was accomplished.'"

It appeared from Mr. Baker's remarks that all the provinces are enthusiastic for a cooperative commission when floods are imminent but forget about it after the danger is past.

Foochow Also Threatened with Flood

According to recent advices from Foochow, the waters of the Min River are rising to an unprecedented height and are now about level with the banks. It is said that, if the water in the Min River registers a further rise, Foochow and other cities along the banks will be inundated. Shanghai merchants have received a large number of telegrams from their agents in Foochow cancelling previous orders for fear of another flood.

Yangtsze Water Police Bureau Suspends Operations

Acting upon instructions from General Chiang Kai-shek, the Water Police Bureau for the Yangtsze River is to be temporarily abolished.

Two of the eight gunboats assigned by the Naval Ministry for the use of the Bureau will be transferred to the Anti-Smuggling Bureau while the rest will be returned to the Naval Ministry. The staff of the Police Bureau will be disbanded.

Siam Has Second "Bloodless Revolution"

While King Prajadhipok was absent from the Bangkok June 20, the radical wing of the new constitutional Government, supported by soldiers and sailors, seized the Capital, imprisoned the conservative leaders and placed radicals in control pending the return of the King. It was a bloodless revolution conducted on exactly the same lines as the overthrow of June 24, 1932. It was directed at the State Council rather than the King who has been requested to return to the city and issue decrees legalizing the revolutionary action.

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Japanese See Early End of C.E.R. Matter

Japanese telegrams from Harbin predict that the forthcoming negotiations in Tokyo for the sale of the North Manchuria Railway (C.E.R.) to Manchukuo will terminate within a brief period. The various questions relating to the sale will be quickly settled, the Japanese believe. It is a foregone conclusion that the railway will be converted from its present 5 feet gauge to the standard 4 feet 8½ gauge (used on the S.M.R.). The Japanese telegrams ironically state it is the Soviets who request the change to be made.

Mr. Ohashi, vice-minister for foreign affairs of Manchukuo, who has recently been appointed a Manchukuo representative in the forthcoming Soviet-Manchukuo negotiations for the purchase by Manchukuo of the Soviet interest in the North Manchuria Railway (former Chinese Eastern Railway), proceeded to Harbin during the week to engage in preliminary talks with the Soviet representatives. A recent telegram from Changchun intimated that should the preliminaries in Harbin be "fruitful," the negotiations in Tokyo will be but in the nature of a concluding, formal agreement.

The Manchukuo Government has decided to build a pier at Fuchin, in the lower reaches of the Sungari River, at an estimated cost of 250,000 yuan, for aiding and developing trade on the Sungari.

Soviets Fortify Left Bank of Amur

A recent London message stated that the Soviets are negotiating with Italian shipbuilding firms for the construction of four 7,000-ton cruisers with very powerful armament for special service in the Pacific Ocean. A submarine, of 3,800 tons, is included.

According to reports received in Harbin the Soviets have recently been very busy fortifying the left shore of the Amur River, facing the Sungari delta. Concrete pill boxes, with an area of 252 square feet, have been erected every 120 yards to a distance of two miles, while two concrete forts have been built at the Ekaterinonikolsk shallows. It is also reported that Paskova, Innokientieffka, Konstantinoffka, Chiesnakova and Puzinoff have been fortified while the 38-mile approach to Blagovestchensk, commencing at Grodekova, has been fortified every 500 yards with 63 square feet concrete pill boxes. All fortifications, it is added, are surrounded by wire entanglements.

Bandits Stab an American Near Mukden

George Alfred Flynn, a 27-year-old American from New Hampshire, who is employed by the Texas Oil Company, was seriously wounded by bandits who broke into his home in Mukden early in the morning of June 17 and stabbed him in the abdomen with a short broad-headed spear. Mr. Flynn and his wife were then bound and gagged and thrown on the bed while the three bandits ransacked the house, after which they decamped with cash, jewellery and valuables. Mrs. Flynn later escaped and gave the alarm. Mr. Flynn will be confined to hospital for about a month.

Newchwang Bandits Defeated, but Japanese Captain Is Killed

A group of 300 bandits, who have been active in the lower basin of the Liao River, tried to break through the Japanese cordon early in the morning of June 17. Japanese detachment, commanded by Capt. Araki, staged a general attack at 9 a.m. The bandits were defeated but Capt. Araki was killed.

Bumper Crop Expected Throughout Manchuria this Year

The Department of Industry predicts a bumper crop throughout Manchuria this year, owing to the decrease of banditry and the favorable rains from the middle of May to the early part of this month. Poppy cultivation in Jehol Province is also said to be showing "good" results. The area under cultivation this year is estimated at 650,000 mow (one-sixth of an acre).

Rail shipments out of North Manchuria during the week commencing May 30 reached 2,870 car-loads, showing an increase of 1,331 car-loads compared with the corresponding week last year. Of this amount 995 cars were trashedipped to the South by the South Manchuria Railway, and 39 to the East by the Ussuri Railway.

Growing Japanese Export to Manchuria

According to a statement issued at Tokyo, June 14, by the Ministry of Finance Japanese trade with China,

Manchukuo, Kwantung Leased Territory and Hongkong, during the month of May was as follows:

Export to:	Manchukuo	Yen 6,716,000
	Kwantung Leased Territory	16,202,000
	China	9,687,000
	Hongkong	2,073,000
	Total	Yen 34,678,000
Import from:	Manchukuo	Yen 13,132,000
	Kwantung Leased Territory	1,556,000
	China	7,535,000
	Hongkong	140,000
		Yen 22,363,000
	Balance in favor of Japan	Yen 12,315,000

Japanese Population in Tsitsihar Shows Great Increase

The Japanese population in Tsitsihar has greatly increased since last year, according to *Rengo*. At the end of May of this year there were 2,404 Japanese compared with 1,544 at the end of last year, the number of Koreans also increased from 584 to 748 during the period under review.

The Japanese merchants in Mukden recently sent a telegram to the Chambers of Commerce and Industry of Kyoto and Osaka, pledging their support to the movement recently started by the Kansai textile merchants for securing the lowering of tariffs against Japanese fabrics entering into Manchukuo.

Harbin will officially become a special city of Manchukuo, on July 1 next, with Lu Yung-hun, present Mayor, as the head of the new administration.

S.M.R. Hopes to Float Bonds for Yen 100,000,000

Before sailing for Japan from Dairen, June 16, Mr. Hatta, Vice President of South Manchuria Railway Co., told press representatives that he is expecting to obtain the sanction of shareholders at the forthcoming general meeting of his Company, which takes place in Tokyo, for the proposed issue of new debentures to the amount of over one hundred million yen.

The proposal to reorganize the Harbin Provisions Exchange into a Commodities Exchange with the joint Manchukuo-Japan capital of 2,000,000 silver dollars is stated to be assuming concrete form.

Japanese University Students to Tour Manchuria

Several hundred students selected from among the students of universities and other educational institutions of higher learning will make an extensive tour of Manchuria in order to see for themselves the development of the new state in Manchuria. The party, under the leadership of Hidejiro Nagata, former Mayor of Tokyo, will leave Tokyo on or near July 14 for Manchuria, it has been reported.

South China Declares Economic Boycott Against Manchukuo

South China June 20 declared an economic war against Manchukuo when the South-west Executive Committee and the South-west Political Council formally decided to ban henceforth the entry of goods exported from the new State. This action was taken on the ground that Manchukuo is under Japanese domination and that all profits derived from exports from the new State "will eventually go into the Japanese war chest."

National State Lottery Evokes Much Interest

Reports from the National State Lottery Administration indicate that the tickets of the first quarterly State Lotteries have been selling very well, both among the Chinese and foreign residents in China, and pointing to success. The draw will take place on July 31 in Shanghai and will be open to the public.

The first prize will be \$500,000; the major awards (two 2nd Prizes of \$100,000 each, four 3rd Prizes of \$50,000 each and ten 4th Prizes of \$10,000 each) and numerous other smaller prizes all offer a very attractive prize target.

Shanghai Area Contains Over Three Million People

The population of Greater Shanghai, including the International Settlement and the French Concession, is 3,154,810, according to the latest census report compiled by the Greater Shanghai Municipal Bureau of Public Safety. Those living in the Chinese city and its suburbs total 1,702,660. The population of the whole area has decreased by 165,931, as compared with the figures prior to the Sino-Japanese hostilities last year.

Japanese Minister of Education Urges Educators to Cooperate with Police

At the recent Conference of the Chiefs of the Educational Affairs Departments of all prefectures held in Japan, Mr. Hatoyama, Minister of Education, expressed deep regret at the growth of the Left movement among secondary and primary school teachers and middle-grade school students. The growth of such a movement among school teachers spells the ruin of school education, he said. The Minister urged his hearers to strengthen control through close cooperation with the police authorities and to make frequent visits to the schools under their respective jurisdiction to prevent "regrettable cases" and to give proper guidance.

The law department of Tokyo University has ceased to function, as a result of Dr. Konishi resigning as a protest against the dismissal of Prof. Takikawa.

22 Chinese Students Deported from Japan

Twenty-two Chinese university students, including one girl were recently deported from Japan by order of the Home Office after investigation of charges that they were connected with the Japan Communist party in anti-imperialism activities. In addition to these 22, two other Chinese students have been imprisoned for taking active part in Communist movements. The *Nichi Nichi* said there were indications they would be sentenced to penal servitude. It was said the students were dissatisfied with the outcome of the Shanghai incident and the establishment of the new state of Manchukuo and formed a Communist organization to distribute violent propaganda pamphlets. Among the counts which the Japanese police recorded against the group was that they were remitting money raised among their compatriot students and workers, to anti-Japanese organs in Shanghai.

Converting Communists to Patriots in Prison

Gaku Sano and Teishin Nabeyama, former influential leaders of the Communist movement, now in prison on life sentences, are reported by judicial authorities to be turning from internationalism to nationalism. In their joint statement recently issued, it is said, the prisoners "having perceived the danger of placing the Japanese movement under the Third International's control, and the wickedness of comparing the Japanese Imperial family with the Tsarist regime," have recanted their former attitude. The Justice Ministry, availing itself of the opportunity, made copies of the statement and had them distributed among a group of 185 communists now on trial.

Fishermen Alleged to Have Been Shot By Soviets

Three Japanese fishermen belonging to *Koshi Maru* and *Fumi Maru*, small fishing boats, were shot to death by Soviet officials near Kamchatka on June 15, according to word reaching Tokyo June 19. The boats encountered a severe storm near Kamchatka on June 14 and took refuge at a point west of the Olga Cape, Kamchatka Peninsula. Three members of the crew of the Japanese boats who went ashore by a small tender for fresh water were fired upon by Soviet officials without notice and killed instantly, the report said.

Japan's Favorable Trade

According to the Japanese Ministry of Finance, the whole country of Japan is doing a favorable trade with many foreign countries. During the month of May, Japan's total export to foreign countries amounted to Yen 167,614,000, as against an import of Yen 189,132,000, leaving an excess in import of Yen 22,318,000. Compared with the same month of last year, the result shows a favorable trade balance in the decrease of excess in import by Yen 11,000,000.

Japan's National Debt Totals Yen 7,070,756,000

Japan's national debt at the end of May totalled Yen 7,070,756,000 of which Yen 5,686,352,000 was represented by domestic loans and Yen 1,390,404,000 in the form of foreign loans, it was announced by the Finance Ministry in Tokyo June 12.

A Strong Addition to the Seiyukai

Kenkichi Yoshizawa, ex-Minister for Foreign Affairs and an Imperial nominee to the House of Peers, joined the Seiyukai June 16 through the introduction of Mr. Suzuki, President of the Party, and Mr. Hatoyama, Minister of Education.



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19th Route Army Will Engage in Communist Suppression

By a decision of the military headquarters of the anti-Communist army, the troops in the Southwest participating in the anti-Communist suppression campaign will be reorganized into three detachments, with the 19th Route Army as the First Detachment and the Cantonese forces as the Second and Third Detachments. The 19th Route Army is to act as vanguards while the Cantonese forces are to remain behind as General Reserves. The Kwangsi troops will not proceed to Kiangsi, at least for the present. By the new arrangement, only the 19th Route Army will participate in the Communist suppression campaign in Kiangsi. The Kwangtung and Kwangsi forces are not taking any active part in the movement.

A List of Taxes Imposed by Kiangsi Communists

According to military reports received from Kiangsi, the Communists in southern Kiangsi have imposed various kinds of taxes in the territory now under their control. Among the taxes are the following:—Capital tax: Every person irrespective of sex must pay a sum of thirty-two coppers to the Communist "Soviet Government;" every farmer must contribute all grain to the "Soviet Government," except two piculs which are reserved for his own consumption; eight coppers a month must be paid for each chicken or duck; one dollar annually for each pig; four dollars for a full grown female pig annually; when a pig is sold the buyer has to pay two dollars as tax; each family has to pay from one to ten dollars a month to meet the military expenses of the "Soviet Government."

With a view to forestalling an imminent Government general offensive, the Communists in Kiangsi started a general attack on Nanfeng, Yihuang and Chungjen June 13 under the personal command of Chu Teh, Commander-in-Chief of the Red Army. Both sides suffered heavy casualties in recent engagements at Nanfeng. A detachment of the Communists was completely wiped out.

Szechuen Communists Capture Kwangyuan

The Communists in Northern Szechuen inflicted another serious defeat on the Szechuen provincial troops under Generals Tien Sung-yao and Liu Chun-hou latter part of last week and are reported to have already captured Kwangyuan. Official dispatches from Northern Szechuen also admit that the Communists have advanced to the outskirts of Kwangyuan. It is said that, in the engagement mentioned, the troops under General Tien Sung-yao had one brigadier-commander killed, one brigade and three battalions disarmed and one-third of a division annihilated by the Red troops.

Kwangtung Finances Show Deficit of \$30,000,000

The Kwangtung financial situation during the past three months was reviewed by Ou Fang-Pu, the provincial commissioner of finance, at the weekly memorial service held in Canton June 14.

The provincial national expenditure in Kwangtung was given as \$120,369,890 for the present fiscal year, against an income of only \$90,000,000. Consequently there is a deficit of \$30,000,000.

Nanking Sends Envoys to Canton

In an interview at Nanking June 13 Wang Ching-wei, President of the Executive Yuan, deplored that the South-Western leaders had failed to appreciate and understand the difficulties of the Central Government. He said that with the nation in the throes of such a grave crisis, the country could certainly not afford to have any further domestic complications. He intimated that the Government had decided to despatch Generals Huang Shao-hsiung and Li Lieh-chun to Kwangtung to explain and clarify all unfortunate misunderstandings. General Huang departed for Canton, from Shanghai June 14 on the Dollar liner *President Cleveland*.

No Possibility of Civil War, Says Wang Ching-wei

"Although it is an undeniable fact that there has been some superficial misunderstanding between the Central Government and the South-eastern Authorities, there is however absolutely no possibility of civil war, as the Government will never under any circumstances depart from its considered policy of preserving domestic peace," Wang Ching-wei, President of the Executive Yuan, declared in an interview at Nanking June 18. He said he did not believe that there was any truth in the reports that the South-western Authorities planned to set up another government.

Sinkiang Pacification Commissioner Proposes to Abolish Exorbitant Taxes

General Huang Mu-sung, Pacification Commissioner for Sinkiang, has called a conference of representatives of the Mongolian and Mohammedan population. General Huang is reported to have devised rehabilitation measures, including the abolition of all exorbitant taxes and levies and various practices which have become obsolete with the passage of time.

Eugene Chen vis-a-vis Japan

Eugene Chen's trip to the South has resulted in complete failure, with none of his ambitions realized, according to a recent message from Canton which said that he originally intended to proceed to Japan to make some sort of an agreement regarding the recognition of the South-west by Japan in return from Canton's recognition of Manchukuo, but was compelled to give up his intention on account of the news leaking out too soon. He abandoned the trip at the earnest request of Hu Han-min, who urged him to conduct negotiations with the Japanese Consul at Hongkong instead of going to Japan.

Marshal Feng Keeps Chahar in Turmoil

The situation in Chahar continues to remain obscure. Marshal Feng Yu-hsiang's future, at last reports, was still in doubt. The one fact that stood out at the beginning of the week was that General Sung Cheh-yuan, Chairman of the Province, was unwilling to return there with his troops while Marshal Feng Yu-hsiang remained at Kalgan. General Sung had sent another delegate to Kalgan for the purpose of urging Marshal Feng to accept the post recently offered him by the Central Government at Nanking. General Sung is quoted as having declared that in view of the financial difficulty of Chahar he thought it would be useless for him to resume his work with the refusal of the Peiping Branch Military Council to subsidize Marshal Feng's men under Fang Chen-wu, Tung Ling-ku and Chi Hung-chang.

So, despite the fact that nominally Marshal Feng Yu-hsiang's movement has collapsed, the reports at the beginning of the week were that the "Christian General" and his ally, General Fang Chen-wu, continued to oppress the populace—they and their armies continuing as before to live on confiscated goods.

A *Reuter* message from Peiping March 16 stated: "A typical piece of effrontery on the part of Marshal Feng has just come to light. He recently sent an empty freight train of 11 cars, with guards, to Nankow, forcing the railway authorities there to deliver a train-load of coal, with which the laden train returned to Kalgan. According to an official statement issued since Marshal Feng's movement started he has been responsible for the confiscation of over 112 tons of foodstuffs and 150 animals and has impressed a number of coolies."

Will Marshal Feng Resign?

Acting under the instructions of the Central Government, the Peiping Political Readjustment Commission June 18 formally announced the appointment of General Sung Cheh-yuan as Chairman of the Chahar Provincial Government. General Fang Cheng-wu, who is a close ally of Marshal Feng, will be appointed a member of the Chahar Government. The arrangement contemplated was that immediately after General Sung takes up his duties at Kalgan, Marshal Feng will issue a circular telegram announcing his resignation from the post of Commander-in-Chief of the Anti-Japanese Allied Army. The Marshal, it was anticipated, would accept the Government's appointment as Commissioner for National Land Reclamation Affairs with General Fang Cheng-wu as Deputy-Commissioner. The appointments were to be announced immediately after Marshal Feng had issued a circular telegram formally announcing the dissolution of the Anti-Japanese Allied Army.

A Peiping telegram dated June 19 in the *Sin Wen Pao* said new difficulties had arisen in connection with the settlement of the Chahar issue concerning the disposal of Feng's followers. Among the questions which remained to be settled were the following:—

(1)—The domicile of Marshal Feng Yu-hsiang. The Government insists that, after the dissolution of the Anti-Japanese Allied army and the appointment of Marshal Feng as Land Reclamation Commissioner, the

Marshal must leave Kalgan immediately. The Marshal holds a different view, insisting that he must have perfect freedom in choosing his residence.

(2)—The expenditure to cover the long march of General Sun Tien-ying's troops from Chahar to Chinghai.

(3)—The future post of General Fang Cheng-wu. The Government demands General Fang quit his troops, but General Fang definitely refuses to comply with the request. General Fang is not satisfied with General Sung Cheh-yuan's offer to appoint him Deputy-Garrison Commander of Kalgan or a member of the Chahar Provincial Government.

(4)—The disposal and the future payment of the volunteers recently reorganized by Marshal Feng.

Marshal Feng Yu-hsiang Says His Motives Are Pure

Marshal Feng Yu-hsiang in a circular telegram issued from Kalgan last week denied the rumors alleging that he has allied himself with Soviet Russia and Communists, that he has closed down banks and adopted repressive measures against the capitalists, or that he is using the so-called anti-Japanese allied forces for the purpose of personal aggrandizement. He averred that his sole object in taking his recent action is to save Chahar from what threatens to be imminent danger and to resist the Japanese invaders. His motives are as pure as the sun, Marshal Feng grandiloquently stated.

Continuing, Marshal Feng stated that peace and order have been well maintained in Kalgan and that banking, commercial and industrial activities have been going on as usual; this, he said, gives the lie to the charge that he has closed down banks and instigated the suppression of capitalists. He admitted that he considers it necessary for the people and the soldiers to take concerted action in order to make resistance effective; but this, he said, does not mean that he advocates mob violence on the part of peasants and laborers.

Marshal Feng emphasized that Dolonor was lost to the Japanese, on May 1 and Ku-yuan on May 24. It was on May 26, that is, after the situation in Chahar had become tense owing to the loss of these cities, that he raised the banner of resistance against the Japanese. He declared that to yield territories to Japan is like throwing meat to a famished tiger; as long as any territory is left, so long will the aggressions continue. "I have decided therefore to defend and preserve Chahar to the utmost of my ability and will never hesitate to make sacrifices," Marshal Feng declared.

Shanghai Bodies Exhort Marshal Feng Yu-hsiang

Various public bodies in Shanghai recently submitted a petition to the Central Government urging that the Chahar trouble should be settled by peaceful means in order to avoid another civil war at this time of grave national crisis. They also addressed a telegram to Marshal Feng Yu-hsiang at Kalgan requesting him to sink his personal interests for the welfare of the nation.

"Pravda" Says Soviets Are Not Afraid of Another Intervention

The Communist Party organ, *Pravda*, June 13 reminded Britain, that on the occasion of their last intervention against Soviet Russia, they left their fleet of 27 warships, including the submarine L-55 (which was raised by Soviet salvagers in 1928) at the bottom of the Baltic Sea—a warning that similar disasters await them if they again essay interference in the affairs of the Soviets. *Pravda's* retort was in reply to an article that appeared in the British magazine *Acroplane*, in which the writer proposed that the British government should settle its differences with the Soviets by sending aircraft carriers, laden with machines, to the Baltic to destroy Kronstadt and Leningrad, and to the Black Sea to destroy Odessa and Rostov.

Mr. and Mrs. Pearl Buck Will Return to China

Mr. and Mrs. Pearl Buck are returning to China. They are due to sail from Montreal June 30, coming via Europe. According to Charles E. Patton, secretary of the China Council of the Presbyterian Church in the U.S.A., Mr. Buck will continue his work with the University of Nanking. Mrs. Buck's resignation from the Presbyterian Board of Foreign Mission, according to Mr. Patton, was not asked by the Board nor even suggested by it; her aim in resigning was to relieve the Board of embarrassment.

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Men and Events

The Y. M. C. A. camp for boys at Tsingtao will open for the third year July 21, to operate for six weeks.

The University of Shanghai will hold its twenty-first annual commencement exercises June 24.

General von Seeckt, noted German officer, called on General Ho Ying-ching in Peiping June 11.

The death occurred in Shanghai, June 29, of Takayoshi Mayeda, local manager of South Manchuria Railway Co.

Herr Hitler in a speech in Berlin June 19 threatened that unless German parents taught their children to be "good Nazis," the State would take the children from them.

Regulations governing the issue of a \$5 million loan by the Hunan Provincial Government for "local pacification purposes" were approved by the Legislative Yuan June 19.

Commander Shunkichi Okano of the Japanese Naval General Staff, has been transferred to the post of resident officer in Shanghai. He has already taken up the duties of his office.

Kungehen, a small city in Hopei, was visited by a disastrous hail storm on April 30. Chinese telegrams state that some of the larger hail stones weighed almost fifty pounds.

At the inquest into the death of O. H. Lanning, which occurred June 1, held in the British Police Court in Shanghai June 21 evidence was given that potassium cyanide was found in the body.

The Control Yuan has brought a second impeachment against Lin Shih, formerly Director of the Postal Department of the Ministry of Communications, for alleged corruption and other unlawful actions.

The Board of Trustees of the Sino-British Boxer Indemnity announces that in view of the absence of W. H. Donald in Europe with Marshal Chang Hsueh-liang, S. King, will succeed Mr. Donald as a member of the Board.

According to consular reports received by the Foreign Office at Nanking, about 5,000 Chinese in Mexico are out of employment, partly as a result of the anti-Chinese boycott movement. The Government plans to raise \$1,500,000 to bring them back to China.

Owing to brighter prospects in the silk industry further issue of \$2 million of the silk loan, as originally proposed, has been indefinitely postponed, according to Tan Hsi-hung, Director of the Forestry and Reclamation Administration of the Ministry of Industry.

The Shanghai Power Co. has lately unearthed wholesale thefts of power by large groups of Chinese using current for power purposes, mostly in small industrial establishments. Several former employees are implicated in the transactions, which involve a sum of about \$200,000.

A conference of Kiangsi district magistrates was held at Nanchang during the week. Reports on the work of the Provincial Departments of Civil Affairs, Finance, Education and Reconstruction, the Provincial High Court and the Provincial Peace Preservation Bureau were received. Rehabilitation measures for the various districts were also discussed.

It is reported from Mukden that Pei Pa-tien, the chief of the bandits holding Mrs. Muriel Pawley and Charles Corkran for ransom last year, was among the hundred odd killed when the Japanese routed a band of outlaws under the notorious Lao Pei-feng on the morning of June 13.

The China Section of the World Swastika Society held a meeting in Shanghai June 13 to discuss relief for war refugees in North China. It was decided that one million dollars should be raised immediately at Shanghai, Tientsin and Peiping to meet the urgent requirements of the refugees.

Herr Karl Lindemann, partner in the China firm of Melchers & Co. and well-known in the Far East, was elected chairman of the combined board of directors of the two leading German shipping companies, North-German Lloyd and Hamburg-America Line, at a meeting of the board at Bremen June 15.

More than 30 armed Japanese marines visited the Hungjao Aerodrome, in the outskirts of Shanghai, June 14 in a military truck without the permission of the Chinese authorities. It is understood that the Municipal Government of Greater Shanghai will make a strong protest to the Japanese authorities against the intrusion.

General Chang Fa-kwei, Commander of the former "Ironsides" 4th Army, which distinguished itself in the Second Expedition against the late Marshal Chang Tso-lin, is due back from Germany in Shanghai by the end of this month. The *Morning Post* says he will be appointed to his old post as Commander of the 4th Army.

Following a petition from the Shipping Guild of Shanghai, the Ministry of Communications issued a circular June 17 to the provincial governments of the five maritime provinces of east China and other organs concerned soliciting their views and suggestions for the drafting of measures against piracy.

In succession to General Mazaki who was promoted to the rank of full general in Tokyo June 19, Lieutenant-General Ueda who was prominent in the Shanghai incident last year as Commander of the expeditionary forces, and who suffered an injured leg in the Hongkew Park bombing incident, was formally appointed Vice-Chief of the General Staff on the same date.

Anticipating that Manchukuo questions will be discussed at the fifth meeting of the Institute of Pacific Relations which will be held in Banff, Canada in August of this year, the Manchukuo Department of Foreign Affairs is (according to *Rengo*) collecting and arranging data to be presented at the conference in order to explain Manchukuo's position. The Foreign Department at Changchun intends to send several prominent men to the conference, it is stated.

A Japanese telegram from Hankow June 19 stated that with business going from bad to worse, the First Spinning Factory in that city had announced suspension of operations the previous day, with the result that the spinning industry in Hankow has reached a critical stage. The China Spinning Factory is the only one now in operation. The Sun Shin Factory was destroyed in a fire sometime ago and two others had to close their business owing to depression.

Four Japanese students at Tung Wen College in Shanghai, K. Fukuda, S. Takahara, M. Daioto and T. Sakamaki, have been deported to Japan for trial on charges of Communistic activities. They are said to have been affiliated with the Chinese Communist party and are suspected of having attempted to undermine the loyalty of Japanese naval men on duty in Shanghai. Tung Wen College is a Japanese institution, primarily intended to give Japanese a "Chinese" education. It is generally credited with having trained the many Japanese spies who roam around China, dressed in Chinese clothes, who in most cases escape detection because of their fluency in the Chinese language as a result of training in the above-named college.

A New Car Shown by Fraser Motors, Ltd.

Fraser Motors, Ltd., distributors in China of Humber and Hillman cars, gave an official showing during the week of their new line of cars, "Beacon," manufactured by Continental Motors, Detroit. The Continental "Beacon" is a new idea in low cost transportation: it will go 25-30 miles on a gallon of gasoline.

The "Beacon" is a full-sized automobile of standard 56" tread. It has Winged Power, the new and wonderfully restful riding sensation produced by the new and exclusive Continental 3-point live-rubber engine mounting that cushions engine torque and vibration. The semi-elliptic, transverse front spring is fixed on the left side. The shackle on the right is the only one on the car, an exclusive Continental feature. Continental is the only manufacturer using double Cantilever rear springs.

The body of "Beacon" cars is made of all-steel, comfortably upholstered inside, giving ample room for five passengers in its wide and deep seats. The safety glass is standard in the windshield, available throughout.

The Fight Against Narcotics in Shantung

A recent message from Tsinan stated that as a result of the drastic action taken by the Shantung provincial authorities, drug addicts in northern Shantung have been greatly reduced. It is said that two years ago no less than 100,000 drug addicts were to be found in northern Shantung, while trading in red pills and narcotics was conducted openly as a legitimate business. The annual business done by drug dealers amounted to \$20,000,000, it is said. In the Linching district alone about four million dollars worth of business was transacted in a year.

Who's Who in China

Marion Yang, Director of the First National Midwifery School, Peiping: born at Tunghsien, near Peiping, 1892; premedical work at the Union Women's College of North China (Yenching University), 1910-12; graduated



楊崇瑞

from the Union Medical College for Women of North China, 1917: Porter Hospital for Women, Tientsin, 1921-22; Department of Obstetrics and Gynecology, Peiping Union Medical College, Peiping, 1922-25; postgraduate study at Johns Hopkins, U. S. A. and in Europe, 1925-27; Chief of the Division of Medical Services, Health Station, Special Health Area, Peiping and Instructor in the Department of Hygiene and Public Health, Peiping Union Medical College, 1927-30; appointed Technical Expert, Ministry of Health, 1930: member of the National Midwifery Board, Director of the newly established First National Midwifery School at Peiping and Director of the Child Health Institute (a co-operating institution), since 1930; concurrently Honorary Lecturer in the Department of Public Health; author of a number of medical papers on maternity and child health; address: First National Midwifery School, Peiping.

楊崇瑞字雪豐，河北通縣人，生於西歷一八九二年，華北協和女子醫科大學畢業，赴歐美專修產科衛生科二年，曾任山東德洲博濟女醫院醫師，天津婦嬰醫院醫師，北平協和醫院產婦科醫師，北平協和醫學院衛生科教授，現任內政部衛生署技正，兼國立第一助產學校校長，北平市公安局保嬰事務所所長等職。

Shanghai Arsenal Site to Be Converted Into Automobile Factory

The *China Times* states that the removal of the machines in the Shanghai Arsenal to Nanking is expected to be complete before the end of this month. The vacant lot in Kaochangmiao is to be converted into an automobile factory, which will be the first of its kind in China. Negotiations are in progress between the Military and Shanghai business circles regarding plans for the establishment of the factory.

Motion Picture Regulations Issued for Foreigners

The Ministry of Interior has issued a set of regulations imposing restrictions upon the taking of motion pictures in China by foreigners, according to which foreigners desirous of taking motion pictures in China must possess a travelling license issued by the Chinese Government; the foreigner concerned must first apply for and obtain a special permit from the local Police authorities, who shall send special representatives to supervise the taking of pictures.

Foreigners taking motion pictures in China shall not take as their subject-matter things which are derogatory to China's prestige or contrary to the "Three People's Principles."

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION ABOUT JULY 1.

No office, home, school or public library is complete without *Who's Who in China*, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	\$ 2.50	G.\$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

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New Books of Interest in the Far East

Business Customs in China

A Handbook of Chinese Trade Customs. Compiled and translated by Chow Kwong-shu. Published by the Far Eastern Press, Shanghai, 1933. M.\$6 in China. U.S.\$3 abroad.

In a community such as Shanghai, governed as it is by Chinese, French Concession, and International Settlement laws, with each of the extraterritorial subjects governed by the laws of his own country; with the added complication of confusion and difficulty in languages,—there is bound to exist a maze of regulations regarding trade practices confusing alike to foreigners and Chinese. Because of the lack of one definitive set of laws, in many cases commercial and banking controversies are eventually settled in accordance with "customary procedure." Mr. Chow, the author of the book under review, has undertaken the task of compiling in book form authoritative replies, made for the most part by the Chinese General Chamber of Commerce, to inquiries from individuals and organizations such as the French Mixed Court, the Kiangsu High Court, Shanghai Provisional Court, attorneys, import houses, etc., regarding actual practices in the various businesses in Shanghai. The majority of the opinions quoted were given during the last few years, though there are some dating as far back as 1906, the inference being that the procedure therein outlined is still in force.

The book includes decisions upon a variety of subjects,—purchase and sale of real estate, damages for non-delivery of goods, cancelling a part of indent, errors by bookkeepers, collection of native bank orders, transfer of businesses, application of customs pass,—to name but a few. Of particular interest are the explanations regarding the ownership of land in the Foreign Settlement by a Chinese, in which the procedure regarding a "Declaration of Trust," registration with the foreign consulate, etc. are set forth; discussions regarding the delivery or non-delivery of merchandise in connection with so-called "acts of God," war, and force majeure; customary practices in special lines such as piece-goods when there has been a delay in shipment, or where merchandise is not up to sample.

Mr. Chow also quotes opinions regarding the intricacies occasioned by the rather undefined position of the compradore in foreign firms, and outlines this party's liability under certain specified conditions. He also considers the validity of a company "chop," customs in regard to old style bookkeeping practices, etc. To quote a few typical questions: "What is the responsibility of shroffs in import firms when they are acting as middlemen between the firm and the Chinese dealers? When damages occur to the goods indented through them, are they responsible, or is the manager of the import firm to be held?" "According to the practice of native banks, are native bank orders issued to its debtors returnable?" "Kindly inform us what is the prevailing custom in Shanghai when one of those who had entered into partnership agreement transfers his share in the business to another." Answers to these and numerous other knotty points are to be found in this volume.

In addition to the "questions and answers" which form the greater part of the book, the author has included an appendix in which he quotes various regulations in force, such as the regulations governing the conducting of business of member banks of the Shanghai Bankers' Association, regulations governing the Appraisal Committee of the Joint Reserve Board, etc.; and a second appendix listing the leading Chinese guilds and trade associations in Shanghai. There is also an index.

It is to be regretted that the book, while of specific interest and considerable value, loses much of its readability through the fact that the English is poor and spelling inaccurate. While the material appears to have been secured in a careful and intelligent manner, the translation and editing leaves much to be desired. In the majority of instances, however, the English (while obviously written by someone not thoroughly at home with the language) is understandable. The information that the book gives on business customs in Shanghai should be of considerable value both to the student interested in under-

standing the economic situation existing in this port, and to the business man bent upon safeguarding his business.
H. H.

A Brief for Royalty

Twilight of Royalty, by Alexander, ex-Grand Duke of Russia; published by Ray Long & Richard R. Smith, Inc., New York.

The cabarets and bookstores of the world alike have resounded for the past 15 years with fervid defense of the fallen Czarist regime of Russia by dancers who pretended to have been princesses and aristocratic appearing men who actually had been grand dukes; out of the welter the volume under review by a cousin of the last Czar and a son-in-law of Alexander III is easily the most readable and intelligent. The author, incidentally, has died since the publication of the book.

The ex-Grand Duke was evidently quite a student of Machiavelli, than whom no greater expert in government ever existed, and since Alexander survived the Bolshevik revolution with enough cash to have never worried about room or board, he could afford to be quite philosophical. It is rather amusing and also somewhat annoying, however, to find him remarking that "the masses everywhere are the same lazy, treacherous, fantastically cruel masses," adding that "be it in Russia or in the United States, in England or in Abyssinia, the masses care for nothing except their three meals a day." Having had always to work at one thing or another for a living, unlike Alexander, this reviewer can understand that men become somewhat brutal when exploited in order that others—grand dukes or capitalists—may revel in luxury. And anyone who has been forced to postpone a few meals now and then can also understand why being assured three meals a day is a necessary prerequisite to an interest in politics, science, art and religion. Alexander evidently had a better education than most Russian grand dukes, but it was not as complete as it might have been.

Most of Alexander's book is devoted to the reign and fall of Alfonso of Spain, and the chapters on this theme are an interesting footnote to the history of this clownish king. Another chapter attempts to prove King George V played a decisive role in "solving" the 1931 crisis in England. If the crisis had been solved, the chapter would be more convincing.

Frequent, of course, are pages defending the Romanovs although Alexander is critical of their technique and sees little possibility of their return to power. He does think, however that royalty may soon be restored in Germany and Spain. In condemning democracy, of course, Alexander says nothing to which a communist or a fascist would not subscribe, and in outlining a technique of government, he brings Machiavelli up to date.

"The enthusiastic support of even a half of one percent of the population is all that is necessary for the maintenance of a regime," he says. "The Hohenzollerns understood it in Germany, the communists in Russia, but the Romanovs missed their chance." Then citing that the Romanovs lost the enthusiastic support of the wealthy landowners by freeing the serfs, and at the same time failed to enlist the support of the peasants since they were not given adequate land, Alexander adds that "whatever the name of the regime, its only hope of survival lies in the maintenance of a compact party of a few favored ones, not in the millions of lukewarm voters."

There is considerable truth in this analysis, but it makes Alexander's brief for fallen royalty somewhat silly, for any regime—in Spain or in Russia—that cannot even muster the enthusiastic support of one half of one percent of the population deserves not only to be kicked out of power, but to be exterminated on the grounds that it is composed of either nitwits or scoundrels, or both!

W. B.

Exploring Asia

Three Kingdoms of Indo-China, by Harold J. Coolidge, Jr., and Theodore Roosevelt; published by Thomas Y. Crowell Company, New York.

Hazards of Asia's Highlands & Deserts, by Walter Bosshard; published by Figurehead, London.

The first of these books is devoted to the Kelley-Roosevelts Expedition of the Field Museum of Chicago to French Indo-China and western Szechwan. The purpose of the expedition, headed by the ex-Governor-General of the Philippine Islands and his brother, Kermit, was to make scientific collections of various birds and mammals, series of which were lacking in the museum.

The major work of the expedition appears to have fallen on Mr. Coolidge, who is assistant curator of mammals of the museum of comparative zoology of Harvard University. The larger and better section of the book, and also an appendix on the mountain tribes of Indo-China, is by Mr. Coolidge, and he writes in a straightforward, interesting manner. The three kingdoms of Indo-China are Annam, Cambodia and Lan-Xang (Luang Prabang), and although, or perhaps rather because, they are under French rule, they are rarely visited. The political and economic conditions prevailing in these ancient realms might be of more interest to most readers than descriptions of their flora and fauna, but it is only the last that Mr. Coolidge discusses save for presenting some anthropological data on the varied peoples of the area.

The section on the mountain tribes, while representing more of a summary of previous studies than original investigation, is an exceptionally competent piece of anthropological work. Many of these tribes, incidentally, live in Yunnan as well as in Indo-China.

Mr. Roosevelt's section of the book is devoted chiefly to a few hunting exploits, including the shooting of his first elephant.

The "Hazards of Asia's Highland's and Deserts," by a member of the Trinkler Asian Expedition, is beautifully illustrated (as is also the Coolidge-Roosevelt book), but it is not very interesting. The expedition was devoted to geographical, geological and archaeological exploration of the Tibetan highland, and while it doubtless carried out its mission very competently, the book under review fails to supply either thrills or interesting scientific facts.

W. B.

The League's Verdict on the Sino-Japanese Dispute

"The League's Verdict on the Sino-Japanese Dispute—Report on the Sino-Japanese dispute unanimously adopted by the Special Assembly of the League of Nations on February 24, 1933, under article 15, Paragraph 4, of the Covenant" is the title of a brochure recently published by the Intelligence & Publicity Department, Waichiaopu, Nanking, China. The report contains a complete survey of the Sino-Japanese dispute from September 18, 1931, to February 14, 1933. It affirms the conclusions of the report of the Commission of Enquiry and condemns the action and the stand taken by the Japanese Government throughout the dispute. It was accepted by China and unanimously adopted by the League Assembly on February 24, 1933.

The fact is almost lost sight of by this time that the assembly, among other things recommended that, "Having regard to the local conditions special to Manchuria, the particular rights and interests possessed by Japan therein, and the rights and interests of third States, the Assembly recommends the establishment in Manchuria, within a reasonable period, of an organization under the sovereignty of, and compatible with the administrative integrity of, China. This organization should provide a wide measure of autonomy, should be in harmony with local conditions and should take account of the multilateral treaties in force, the particular rights and interests of Japan, the rights and interests of third States; the determination of the respective powers of and relations between the Chinese Central Government and the local authorities should be made the subject of the Declaration by the Chinese Government having the force of an international undertaking."

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A Survey of China's Trade With the United States

BY HO PING-YIN

(People's Tribune, May 1)

(Concluded from last week)

Chinese silk had its best time in the American market in 1926, when the export amounted to 62,000 piculs, which amount dwindled to only 20,000 piculs last year. The following table shows the amount of Chinese silk (including white, yellow, and wild) exported to the United States, compared with exports to France and Japan:—

CHINESE EXPORTS OF RAW SILK TO U.S.A., FRANCE, & JAPAN

Year	United States		France		Japan	
	Piculs	Percent	Piculs	Percent	Piculs	Percent
1919	45,100	27.30	26,203	15.86	21,895	13.25
1920	14,523	13.92	19,742	18.93	13,713	13.15
1921	33,170	21.96	20,321	13.45	29,111	19.27
1922	26,827	18.70	28,855	20.12	13,868	19.67
1923	17,035	26.75	22,344	16.14	17,130	12.38
1924	12,997	9.90	31,766	24.20	14,110	10.75
1925	53,382	32.08	51,299	30.83	21,079	12.67
1926	61,979	37.20	49,167	29.51	19,131	11.48
1927	28,032	17.78	35,286	22.38	19,537	12.39
1928	28,792	16.36	52,968	30.09	25,179	14.30
1929	40,656	22.58	40,064	22.25	25,412	14.13
1930	37,264	35.37	25,928	17.65	20,022	13.63
1931	27,847	20.93	18,510	13.91	5,703	4.29
1932	20,250	38.41	16,308	21.27	741	0.97

CHINESE EXPORTS OF RAW SILK DURING THE LAST THREE YEARS

Kind	1930		1931		1932	
	Piculs	Haikuan Tls.	Piculs	Haikuan Tls.	Piculs	Haikuan Tls.
White Silk	24,948	33,479,339	18,616	16,008,377	17,253	8,031,051
Yellow Silk	3,655	3,402,324	5,444	4,137,057	879	43,931
Wild Silk	8,676	3,192,670	3,787	1,292,367	10	2,118
Total	37,279	30,074,333	27,847	21,436,802	18,142	8,456,100

TEA

About half a century ago the American market was dominated almost entirely by China tea, the import from this country being over 90 per cent of the total tea entering the United States. With the introduction of Japanese and Ceylon teas, China tea began to lose ground, especially during the final quarter of last century, while Japanese tea made rapid progress in the American market. An unprecedented low figure was reached in 1930, in which year the tea exported from China to the United States was only 6,467 pounds, representing no more than 7.62 per cent of the total import.

COMPARISON OF CHINESE, INDIAN AND JAPANESE TEA IMPORTS TO U.S.A.

Year	China Tea		Japan Tea		India Tea		Total	
	Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds	Percent
1860	31,558	96.41	35	0.11	1,102	3.48	31,695	100.00
1870	35,202	74.25	8,825	18.62	4,379	7.13	47,406	100.00
1880	36,187	50.25	33,688	46.68	2,287	3.17	72,162	100.00
1890	42,486	50.77	36,363	43.35	4,935	5.88	83,884	100.00
1900	42,283	49.84	33,949	40.01	8,612	10.15	84,845	100.00
1905	43,122	41.99	41,970	40.86	17,613	17.15	102,705	100.00
1910	28,043	32.75	38,187	44.60	19,395	22.65	85,625	100.00
1911	25,148	24.50	52,998	51.63	24,507	23.87	102,653	100.00
1912	17,605	17.36	53,747	53.00	30,053	29.64	101,406	100.00
1913	23,728	25.03	44,851	46.81	26,703	28.16	94,862	100.00
1914	20,139	22.10	41,913	45.99	29,078	31.91	91,130	100.00
1915	23,100	23.82	43,869	45.23	30,018	30.95	96,987	100.00
1916	20,422	18.59	52,359	47.66	37,082	33.75	109,864	100.00
1917	19,810	19.17	52,418	50.71	31,135	30.12	103,363	100.00
1918	23,593	16.13	50,237	34.34	72,447	49.53	146,277	100.00
1919	11,028	9.89	61,179	54.86	39,309	35.26	111,516	100.00
1920	8,055	11.35	24,749	34.86	38,196	53.80	71,000	100.00
1921	14,828	17.28	27,003	31.47	43,965	51.24	85,796	100.00
1922	25,349	26.11	48,249	49.69	23,499	24.20	97,097	100.00
1923	19,828	18.86	36,236	34.47	49,072	46.67	105,136	100.00
1924	11,552	12.46	28,592	30.84	52,562	56.70	92,706	100.00
1925	12,060	12.10	30,277	30.38	57,316	57.52	99,653	100.00
1926	13,465	14.02	28,386	29.56	54,171	56.42	96,031	100.00
1927	10,541	11.78	27,670	30.92	51,273	57.30	89,484	100.00
1928	10,138	11.13	26,613	29.21	54,354	59.66	91,105	100.00
1929	9,467	10.59	24,538	27.46	55,366	61.95	89,731	100.00
1930	6,467	7.62	20,948	24.67	57,510	67.72	84,925	100.00
1931	8,204	9.46	21,416	24.69	57,112	65.85	86,732	100.00

China tea exported to the United States includes the black and green variety. The black tea is being displaced by leaf from Ceylon, where British growers and merchants, with their much stronger financial resources, work much more scientifically than the Chinese in the planting and processing of tea, advertising, marketing, etc. In the green tea market the China product is being replaced by Japan tea, and even the famous Oolong is beaten by tea from Taiwan.

The present condition of the China tea trade is the result of influences more fundamental than foreign competition. Being unable to keep pace with world conditions, Chinese growers are not supplying the kind of tea which conforms to the standard, demanded by American consumers. Little attention has been given to advertising China tea, while methods of packing, etc. do not suit the taste of the American public. Any hope of recovering markets abroad for China tea lies only in the improvement of the leaf itself.

TUNG OIL

Except for a small amount supplied by Annam and Indian growers, most of the world demand for tung oil is supplied from China. An especially good market is the United States, where this product is extensively used in manufacturing varnish, waterproof roofing, flooring, and many other purposes, being also used as fertilisers. Realising the importance of this industry, American planters began to grow tung-trees over a wide area in the Southern states, where large oil mills are also established, but only a few states in the East have been supplied with the product, and most of the states in the middle west and west are still buying tung oil from China. Owing to climatic conditions which are not altogether suitable for cultivating tung trees, the American output is limited.

The tung oil exported from China to the United States has varied from 100,000 to 1,000,000 piculs, valued at over Hk. Tls. 10,000,000 and Hk. Tls. 20,000,000 respectively. During the last two years, however, the export has declined considerably due to reduced demand in the United States. This trade depression coupled with the growing of tung trees in Florida, where mills have been erected capable of pressing 3,000 lbs. of seeds per hour has naturally discouraged the export of oil from the Far East. The following table shows the tung oil exports from China to the United States during the eleven years ending 1932, values being expressed in thousands of Hk. Tls.:—

CHINA'S EXPORTS OF TUNG OIL TO U.S.A.

Year	Total Export	American share	Percentage
1913	463	311	67.1
1915	310	215	69.3
1920	540	379	70.1
1925	849	706	78.9
1926	748	540	72.1
1927	901	572	63.4
1928	1,904	740	67.6
1929	1,069	735	68.8
1930	1,167	874	74.9
1931	864	549	63.5
1932	802	495	61.7

WOOL

CHINA'S EXPORTS OF WOOL TO U.S.A. (In 1000 Hk.Tls.)

Year	Total Export	Share America's	Percentage
1911	317	278	87.6
1915	377	286	75.8
1920	103	54	52.4
1925	426	370	86.8
1926	208	177	85.0
1927	360	294	81.6
1928	468	392	80.6
1929	376	321	84.5
1930	195	158	81.0
1931	239	228	95.3
1932	34	30	88.2

This article is one of the principal exports from China to the United States. In 1911 the figure amounted to 270,000 piculs representing about 8 per cent of the total export, increasing to 392,000 piculs in 1928, valued at over Hk. Tls. 12,000,000, but in 1931 the trade fell off to 220,000 piculs. Wool exported from China to the United States comes mainly from Mongolia, Tibet, and Tsinghai, and is used for manufacturing rugs, stockings and fabrics. In 1930 a new tariff was imposed by the United States, increasing the duty on wool imported from China, and since then exports have decreased considerably in 1932 amounting only to 30,000 piculs. The figures above show the wool exported from China and America's share in total export, values being expressed in thousands of Hk. Tls.

The following table shows the position held by China in the wool imported to the United States:—

RELATIVE POSITION OF CHINA IN U.S.A. WOOL IMPORTS*

Country	1909-1913		1921		1931	
	average quantity	%-age	quantity	%-age	quantity	%-age
China	33,284	15.80	46,552	14.20	33,338	21.05
Australia	—	—	—	—	22,980	14.51
Argentina	—	—	—	—	32,243	20.36
Great Britain	—	—	—	—	18,169	11.47
India	—	—	—	—	8,737	5.52
Syria	—	—	—	—	5,433	3.43
Total (including other countries)	—	—	—	—	158,385	100.00

*Quantity in 1000 pounds.

SKINS AND FURS

Exported from China to the United States amounted to over Hk. Tls. 10,000,000 cow-hides represented the smallest share, only 4,000 piculs, being exported, valued at over Hk. Tls. 100,000. Dog-skins stand first among the exports, amounting to 700,000 skins, valued at over Hk. Tls. 2,000,000. The United States has about 70 per cent of the fox furs exported from China, while of sheep-skins about 80 per cent went to that country.

EGGS AND EGG PRODUCTS

These form one of the principal branches exported business China to the United States, which formerly took about 15 per cent of China's total trade in this line, but latterly absorbed 8 per cent. In 1925 eggs products exported from China to the United States amounted to 200,000 piculs but fell off to 86,000 piculs in 1930 and further declined to 43,000 and 27,000 piculs in 1931 and 1932 respectively. Egg yolk is used for making certain kinds of soap, while albumen and shells are used for the manufacture of artificial ivory. The decline of trade with the United States is due to the tariff of 1931, which increase the duty on eggs and egg products from 18 to 27 cents gold per pound. The following table shows the export (in piculs) from China to the United States during the 21 years ending 1932:—

CHINA'S EXPORTS OF EGGS TO U.S.A. DURING 1912-32 (IN PICULS)

Year	Quantity	Year	Quantity
1912	4,976	1923	94,675
1913	9,159	1924	86,850
1914	15,267	1925	198,284
1915	27,257	1926	148,596
1916	40,427	1927	80,845
1917	154,541	1928	159,525
1918	48,851	1929	153,600
1919	148,267	1930	86,339
1920	116,925	1931	43,866
1921	65,666	1932	27,822
1922	66,826		

The following figures show details of the exports of eggs and egg products to the United States during 1931 and 1932, quantities being expressed in piculs and values in Hk. Tls.:

CHINA'S EXPORTS OF EGGS AND EGG PRODUCTS TO U.S.A.
IN 1931-32

Kind	1932		1931	
	Quantity Piculs	Value (Hk. Tls.)	Quantity Piculs	Value (Hk. Tls.)
Albumen, dried	12,941	1,209,179	12,560	1,724,424
Yolk, dried	22,692	1,505,991	11,233	533,008
Yolk, frozen	5,294	106,384	4,012	80,228
Eggs, frozen	2,966	60,340	17	330
Eggs and Egg products not otherwise stated	—	377,780	—	5,560

RUGS

Exports from China go principally to the United States, the trade representing about 70 per cent of China's total export with an annual value of over Hk. Tls. 2,000,000. Rugs made in China are different from those manufactured in the United States, the former being hand-made while the latter are machine products. The design and texture of China rugs are highly appreciated on the American market, and if methods of washing wool and weaving were further improved, trade with the United States might be greatly developed.

THE FUTURE OF SINO-AMERICAN TRADE

Based on the foregoing facts and figures, the trend of China trade with the United States may be summarized as follows:

First, in the near future imports from the United States are not likely to show any marked improvement, because (1) during recent years, the United States have been seriously affected by the world depression. Taking 1928 as a base year, the index number for production in the U.S.A. for 1931 fell to 73, and further declined to 57 in 1932. Such a disastrous dislocation of the nation's economic system must certainly hinder the development of its trade with China. (2) At the same time, suffering and destruction brought about by natural calamities and internal disturbances in China, together with the devastation caused by foreign aggression, have resulted in the almost complete collapse of rural economy and grave paralysis of industry and commerce greatly reducing the purchasing power of the masses. All this, coupled with the heavy slump in the price of silver, makes it more or less impossible for many people to buy expensive American Goods.

An analysis of the various commodities handled shows that the principal articles imported from the United States are raw cotton, petroleum, tobacco leaf, wheat flour, wheat, motor-cars, machinery, and timber. The demand for American cotton should be on the increase owing to the expansion of the cotton industry in China, especially the spinning of fine yarns, but owing to over-production in the States the price of this staple showed a sharp decline. Thus, although the quantity of American cotton imported in 1932 showed an increase of over 600,000 piculs above that in 1931, the total value was C.G.U. 3,000,000 less than in the previous year. Owing to Russian competition in the China market, less petroleum and timber were imported from the United States. The substantial increase of American wheat and wheat flour imports was chiefly due to the flood disasters in 1931, and as soon as conditions in China become normal the import of these commodities will automatically decline. Owing to high prices American machinery is gradually being driven out of the Chinese market by German goods, and the only lines in which the United States is likely to maintain her position in China trade are motor-cars and tobacco leaf. From these facts it would appear to be doubtful whether the United States will be able to keep the predominant position in trade with China which it has held so long.

But there is one bright spot in regard to American trade with China, and that is—most of the American goods imported into this country are industrial raw materials and implements, and plant and materials for communications. Although it is true that owing to the backwardness of Chinese industry and commerce, these goods cannot be imported in large quantities, yet it is clear that as the Government has already made up its mind in regard to the economic reconstruction of the country, the demand for such supplies is bound to increase, and the United States is undoubtedly the country which supplies most of this material. According to the views of some experts, owing to geographical similarities between this country and the United States, the future of the market for communication materials and agricultural machinery in China is very promising.

Second, as to China's exports to the United States, a marked decline has been witnessed during recent years. The slump started after 1929, and in 1932 the figures dropped to Hk. Tls. 59,000,000; the lowest mark touched since 1915. The reasons for the decline of China's exports to the United States are: (1) Increased competition of foreign goods on the American market, as on the case of China tea which is being pushed out by Japan and Indian teas, and China silk by the Japan product and by rayon. (2) The revised tariff of 1930 increased the duty on many imports from China such as eggs and egg products, rugs, groundnuts, groundnut oil, cow hides, sheep's wool, sesamum seed, and chinaware. All these increased duties have curtailed the country's exports to the United States to a considerable extent. (3) Poor methods of preparation, packing and marketing—especially of silk, tea, rugs, laces and tung oil—have shaken the confidence of foreign buyers, and thus gradually reduced the demand for these lines.

Of the three reasons mentioned in explanation of the decreased export trade to the United States, the first and third are the result either of inferior quality or poor methods of marketing. Both these defects can be remedied easily by our people if they realize their past mistakes and determine to rectify them. The second reason, however, is the direct reaction of the American protective tariff policy, and unless this policy is changed by the American Government, it is practically impossible for us to remedy the matter. High tariff walls are the greatest hindrance to the free and natural development of trade between countries, so in order to promote trade relations between the United States and this country, it is hoped, on the one hand, that the American Government will abolish or revise the tariff promulgated in 1930 and, on the other, that a determined effort will be made by our fellow-countrymen to raise their standard of production. The conservatism which ties them down to old and obsolete methods is a suicidal policy, and the disastrous depression in the silk and tea trade is striking evidence of the dangers with which they are confronted. To conclude, the only way to maintain and eventually to extend China's market in the United States is to make constant and strenuous efforts ourselves for the improvement of our products.

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Real Estate Review Beyond the Western District, by Realty Investment Company

The area beyond the Western district continues to show more activity than any other. The most difficult feature of trading in farm land area is the unreliability of offers received from brokers who have not definitely fixed a price with the owner or owners, and who once a verbal acceptance of their offers has been obtained, are not able to close the deal and the prospective buyers has to listen to a long list of extras which are necessary before the purchase can be completed coupled with a rise in price.

A new Chinese Hospital four stories high and built of reinforced concrete on five mow of land is going up on Hungjiao Road. The extension to the Columbia Dairy is complete. At the northern end of Warren Road several new factories are noticeable but are not yet in operation.

RECENT SALES

2 more lots in Columbia Circle have been sold.
Another lot of shops and hongs on Park and Burkill Road has been sold for \$520,000.
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11 mow of vacant land on Avenue Petain has been sold for Tls. 23,500.00 per mow.

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CUSTOMS NOTIFICATION NO. 1306

With reference to Customs Notification No. 1273 of the 8th February, 1933, publishing regulations in regard to the marking of import cargo with the name of the country of original manufacture in Chinese characters, the public is now hereby notified that, if it is found difficult to mark such cargo with Chinese characters, it will be permissible instead to employ the language of the country of origin of the cargo.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 15th June, 1933.

The National City Bank of New York, Rates of Exchange Shanghai, June 21, 1933.

Demand selling rate on America:	U.S. \$100=Sh. \$378.25
Demand buying rate on America:	U.S. \$100=Sh. \$373.83
Demand selling rate on London:	£1.0.0=Sh. \$15.802
Demand buying rate on London:	£1.0.0=Sh. \$15.546

Latest New York Stock Exchange Quotations

Market—Steady

Business Done 5,480,000 Shares

June 21, 1933

1932-3 Div.\$ High Low per Sh.		STOCKS		Mon. Jun. 19	Tue. Jun. 20
11 1/4	1 1/4	—	Adams Express	11 1/4	11 1/4
12 1/4	4 1/4	6.00	Allied Chemical & Dye	117	115 1/4
20 1/4	4	—	Allis Chalmers	20 1/4	19 1/4
95 1/4	29 1/4	4.00	American Can	92	92 1/4
19 1/4	3	—	American & Foreign Power	17 1/4	16 1/4
41 1/4	5	—	American & Foreign Power 7% Pfd.	37	37 1/4
18	1 1/4	—	American & Foreign Power Warr.	11 1/4	10 1/4
20 1/4	1 1/4	—	American Metal Co.	18 1/4	18 1/4
37 1/4	5 1/4	—	American Smelting	34 1/4	33 1/4
187 1/4	70 1/4	9.00	American Telephone & Telegraph	131 1/4	127 1/4
93	44	5.00	American Tobacco "B"	89 1/4	88
40 1/4	11	1.00	American Waterworks	39 1/4	37 1/4
19 1/4	3	—	Anaconda Copper	16 1/4	16 1/4
18 1/4	4 1/4	—	Atlas Corporation	17 1/4	17 1/4
151 1/4	28 1/4	2.00	Auburn Automobiles	65 1/4	64
22 1/4	3 1/4	—	Baltimore & Ohio	22 1/4	22 1/4
35 1/4	7 1/4	—	Bethlehem Steel	35 1/4	34 1/4
43 1/4	18	1.60	Borden Company	38 1/4	37 1/4
19 1/4	3 1/4	—	Borg Warner	18 1/4	18 1/4
20 1/4	7 1/4	—	Canadian Pacific Railway	16 1/4	16 1/4
88 1/4	16 1/4	—	Case, J. I.	84 1/4	82 1/4
47 1/4	19	2.00	Chase National Bank	31 1/4	31 1/4
39 1/4	4 1/4	2.00	Chesapeake Corp.	39 1/4	39 1/4
82	5	—	Chrysler	32	31 1/4
26 1/4	4 1/4	.80	Columbia Gas & Electric	26 1/4	25
7 1/4	1 1/4	—	Commonwealth & Southern	5 1/4	5 1/4
68 1/4	31 1/4	3.40	Consolidated Gas of N. Y.	60 1/4	59 1/4
14 1/4	3 1/4	—	Continental Oil	14 1/4	14 1/4
77 1/4	24 1/4	3.00	Corn Products	75 1/4	74 1/4
7 1/4	1 1/4	—	Coty Inc.	6 1/4	6 1/4
8 1/4	3 1/4	—	Curtiss Wright Company	8 1/4	8 1/4
18 1/4	5	.75	Douglas Aircraft	16 1/4	16
68	23	3.00	Drug Incorporated	55 1/4	54 1/4
83 1/4	22	2.00	Du Pont de Nemours	77 1/4	76 1/4
87 1/4	35 1/4	3.00	Eastman Kodak	83	81
48	5	6% S	Electric Bond & Share	38 1/4	35 1/4
16	2 1/4	—	Electric Power & Light	18 1/4	12 1/4
5 1/4	1 1/4	—	Fox Film "A"	3 1/4	3 1/4
26 1/4	8 1/4	.40	General Electric	23 1/4	23 1/4
40 1/4	19 1/4	1.60	General Foods	36 1/4	36 1/4
28 1/4	7 1/4	1.00	General Motors	28 1/4	27 1/4
37	6 1/4	1.00	General Railway Signal	35 1/4	33
24	8 1/4	1.20	Gold Dust	23	22 1/4
37 1/4	5 1/4	—	Goodyear Tire & Rubber	35 1/4	35
34 1/4	8 1/4	—	International Cement	34 1/4	33 1/4
1 1/4	1 1/4	—	International Com. Engine	Unq.	Unq.
41 1/4	10 1/4	.60	International Harvester	40	39
18 1/4	3 1/4	—	International Nickel	18	17 1/4
19 1/4	2 1/4	—	International Telephone & Telegraph	18 1/4	17 1/4
52	10	—	Johns Manville	52	51 1/4
21 1/4	4 1/4	—	Kennecott	20	19 1/4
70 1/4	30 1/4	2.40	Lehman Corporation	69 1/4	70 1/4
94 1/4	34 1/4	4.00	Liggett & Myers, "B"	93 1/4	93
87 1/4	9	1.00	Loew's Inc.	22 1/4	21 1/4
23 1/4	9	1.20	Lorillard P. Co. (Com.)	22 1/4	22 1/4
25	8 1/4	—	Montgomery Ward	24 1/4	23 1/4
64 1/4	19 1/4	1.00	National City Bank (bid price)	35 1/4	33 1/4
89 1/4	8 1/4	—	New York Central	39 1/4	38 1/4
43 1/4	13 1/4	8% S	North American Company	34	32 1/4
37	16 1/4	2.00	Pacific Gas & Electric	29 1/4	28 1/4
6 1/4	1 1/4	—	Packard Motors	6 1/4	6 1/4
28 1/4	6 1/4	.50	Pennsylvania Railroad	28 1/4	28 1/4
14 1/4	1	—	Pennroad Corporation	14 1/4	14 1/4
14 1/4	2	—	Phillips Petroleum	14 1/4	14 1/4
60	28	8.20	Public Service of N. Jersey	53 1/4	52
13 1/4	2 1/4	—	Radio Corporation	10 1/4	9 1/4
7 1/4	1	—	Radio-Keith Orpheum	4 1/4	4
46	26 1/4	3.00	Reynolds Tobacco "B"	44 1/4	44 1/4
37 1/4	9 1/4	—	Sears Roebuck	34 1/4	34 1/4
8 1/4	2 1/4	—	Shell Union	8	7 1/4
18 1/4	2 1/4	—	Simmons Company	18	17 1/4
12 1/4	5 1/4	—	Socoy-Vacuum Corp.	12	12 1/4
82 1/4	15 1/4	2.00	Southern California Edison	26	25
84 1/4	5 1/4	—	Standard Gas & Electric	20 1/4	19 1/4
38 1/4	19 1/4	1.00	Standard Oil Co. of N. Jersey	37 1/4	37 1/4
23 1/4	9 1/4	1.00	Texas Corporation	22 1/4	22 1/4
30	12	1.00	Texas Gulf Sulphur	29 1/4	28 1/4
8 1/4	2 1/4	—	Trans America	8 1/4	7 1/4
41 1/4	15 1/4	1.00	Union Carbide & Carbon	40 1/4	40
116	27 1/4	6.00	Union Pacific	116	114 1/4
35 1/4	6 1/4	—	United Aircraft & Trans.	33 1/4	33 1/4
14 1/4	3 1/4	.40	United Corporation	18 1/4	18 1/4
24	9 1/4	1.20	United Gas Improvement	23 1/4	22 1/4
15 1/4	1 1/4	—	U. S. Rubber	14 1/4	13 1/4
58 1/4	21 1/4	—	U. S. Steel	57 1/4	56 1/4
47 1/4	11	2.00	Universal Leaf Tobacco	47 1/4	47 1/4
27 1/4	5 1/4	—	Vanadium	26	25
6 1/4	1 1/4	—	Warner Bros. Pictures	5 1/4	5 1/4
48 1/4	15 1/4	—	Westinghouse E. & M.	46 1/4	47
45 1/4	22	2.40	Woolworth	44	44 1/4

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